

**FBIS**

# DAILY REPORT

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*China*

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PRC WELCOMES NEW U.S.-USSR ARMS CONTROL TALKS

OW280924 Beijing XINHUA in English 0917 GMT 28 Nov 84

["China Welcomes New U.S.-Soviet Arms Control Talks" -- XINHUA headline]

[Text] Beijing, November 28 (XINHUA) -- A Chinese Foreign Ministry spokesman said today that China hopes the forthcoming meeting between the Soviet foreign minister and the U.S. secretary of state on arms control early next January will lead to serious talks between the two countries and yield results in controlling arms race so as to help ease international tension.

The spokesman made this remark in response to a question about China's comment on the new U.S.-Soviet [as received] at the weekly news briefing this afternoon. He said in recent years, the intensification of the arms race between the Soviet Union and the United States, particularly the nuclear arms race and their arms race in outer space, have caused great anxieties among peoples of various countries in the world.

CHERNENKO DEFERS NEXT ARMS CONTROL MOVE TO U.S.

OW280240 Beijing XINHUA in English 0228 GMT 28 Nov 84

[Text] Moscow, November 27 (XINHUA) -- Soviet President Konstantin Chernenko told Austrian Chancellor Fred Sinowatz today that it is up to the United States if the forthcoming Soviet-U.S. talks on arms control yield results or not.

In his meeting with Fred Sinowatz, who ended his Moscow visit today, Chernenko said: "If Washington, unlike in the past, will this time really display the readiness to conduct honest negotiations with a view to achieving mutually acceptable agreements, it will be possible at long last to set in motion, the resolution of the most important problem -- the ending of the arms race." The two leaders also expressed their wish to continue to expand and strengthen bilateral ties.

NATO SECRETARY GENERAL VIEWS ARMS TALKS

OW280304 Beijing XINHUA in English 0238 GMT 28 Nov 84

[Text] Bonn, November 27 (XINHUA) -- NATO Secretary-General Lord Carrington today warned against expecting too much from the forthcoming U.S.-Soviet meeting on arms control in Geneva.

"I believe it would be a great mistake to raise people's hopes. We will need a lot of patience and tenacity," the NATO chief said in an interview with DIE WELT, a Federal German newspaper.

Carrington said the topics to be discussed in the negotiations are extremely complex, especially the question of verification of nuclear arms reduction. It will take a long time before the negotiations bring about results, Carrington said.

Both the United States and the Soviet Union have announced that U.S. Secretary of State George Shultz and Soviet Foreign Minister Andrey Gromyko will meet January 7-8 to discuss reopening disarmament talks, which broke off last December because of the deployment of U.S. missiles in Western Europe.



ENVOY TO UN URGES HALT TO SPACE ARMS RACE

OW280258 Beijing XINHUA in English 0241 GMT 28 Nov 84

[Text] United Nations, November 27 (XINHUA) -- China today called on the two superpowers to take immediate measures to halt their arms race in outer space.

In a statement at the special political committee meeting this morning on international cooperation in the peaceful use of outer space, Chinese delegate Huang Jiahua said that recent years had witnessed the gradual extension and intensification of the superpowers' arms race into outer space. This "dangerous trend," he stated, "not only creates serious obstacles to the peaceful use of outer space, but also poses a grave menace to all mankind."

He reiterated China's position that exploration and exploitation of outer space should contribute to the economic, scientific, cultural and social progress and development of all countries.

Calling the existing laws governing space activities "far from adequate," he urged the committee to update the space laws and make them more comprehensive "so that they can reflect in a timely manner the latest development in space technology, regulate activities in outer space and promote international cooperation in this area to ensure its exclusive use for peaceful purposes."

"China opposes any militarization of outer space. We will join the other peoples of the world in a common effort to safeguard peace and security, and guarantee the healthy development of space activities," he said in conclusion.

XINHUA VIEWS RESUMPTION OF U.S.-IRAQ RELATIONS

OW271901 Beijing XINHUA in English 2843 GMT 27 Nov 84

["News Analysis: Resumption of U.S.-Iraq Ties To Have Impact on Mideast Situation (by Shen Zhaodu)" -- XINHUA headline]

[Text] Baghdad, November 26 (XINHUA) -- Iraq and the United States today agreed to resume their diplomatic relations after 17 years of suspension.

Observers here noted that this move will open the way for the development of bilateral relations and will have significant impact on the Mideast situation. Substantial contacts between the two countries have never stopped in the 17 years since 1967 when Iraq broke its relations with the U.S. because of U.S. support for the Israeli invasion of Arab nations during the June 5 war in the same year.

Signs of improvement of relations came into sight in recent years. In 1982, the U.S. announced that it would no longer list Iraq as a supporter of international terrorist activities. Later, the U.S. endorsed a bill to sell civil aeroplanes and provide loans to Iraq. In July, 1982, Iraqi president Saddam Husayn at-Tikriti sent a message to U.S. President Ronald Reagan on the occasion of the U.S. national day, saying that Iraq was willing to develop an equal relationship between the two countries and two peoples.

Contacts were brought to a higher level this year when Iraqi Foreign Minister Tariq 'Aziz visited New York in September, followed by a visit to Baghdad by U.S. envoy Richard Murphy in early November.

With the Iraq-Iran war still going on, it is hoped that the resumption of Iraqi-U.S. relations would help bring an earlier end to the war. Iraq, in particular, has been hoping the United States and its allies would play a positive role in achieving a settlement of the war through peaceful channels. However, there is fear that Iran would be incensed by the move. Mindful of this, the U.S. Colombia Broadcasting System quoted an official in Washington as saying after the resumption of the relations that the United States will oppose arms shipment to the Gulf region as in the past.

With no end yet in sight to the Israeli-Arab confrontation, the United States, though a consistent supporter of Israel, cannot ignore the need to be on better terms with numerous Arab countries. It remains to be seen whether the United States would become more susceptible to the views of Iraq, a long-time supporter of the Palestinian people against Israel, on the Middle-East issues after the resumption of their relations.

Iraq has been underscoring its adherence to the policy of even-handedness toward the two superpowers and ruled out any possibility that the resumption of relations with the United States would affect its good relations with the Soviet Union. However, the fact remains, just as a U.S. Government official has pointed out, that the United States has "vital political, economic and strategic interests" in the Gulf region, and the resumption of diplomatic relations with Iraq will eventually beef up its position in its rivalry with the Soviet Union in the Middle East, especially in the Gulf region.

#### INTERNATIONAL COURT TO HEAR NICARAGUAN CASE

OW271908 Beijing XINHUA in English 1619 GMT 27 Nov 84

[Text] Managua, November 26 (XINHUA) -- The Hague International Court declared today that it is entitled to hear Nicaragua's charge against the United States, and renewed an earlier call for a halt to U.S. actions against the Central American country. All the 16 judges of the court unanimously agreed to accept and hear the case. This was announced by Nicaraguan Foreign Minister Miguel D'Escoto at a news conference here today. He called the court's declaration "a triumph for the cause of peace."

The foreign minister believed that The Hague International Court will eventually come up with a ruling to the effect that the U.S. military and paramilitary actions against Nicaragua constitute open violations of international law, the U.N. and OAS Charters by using or threatening to use force. He pledged his country's support for any ruling the court might make.

In April this year, the Nicaraguan Government took its case to The Hague International Court, where it charged the United States with "covert actions" against it which had resulted in the loss of 3,000 lives and material valued at 200 million U.S. dollars. It demanded that the court declare U.S. mining of Nicaragua's ports and its backing for anti-Sandinist armed elements illegal.

The court ruled on May 10 that the United States stop all direct and indirect actions against the Sandinist regime. However, three days before Nicaragua took the case to the court, a U.S. statement had said that The Hague International Court was not entitled to hear matters concerning Central America within two years. The court reiterated today that its previous ruling of May remains valid before the final arbitration.

## U.S. Opposes Court Ruling

OW270837 Beijing XINHUA in English 0649 GMT 27 Nov 84

[Text] Washington, November 26 (XINHUA) -- The United States today expressed disappointment with the ruling of the International Court of Justice asserting jurisdiction over Nicaragua's complaint of U.S. military aggression against the country.

State Department spokesman Alan Romberg told reporters today, "We believe that we presented to the court compelling arguments, including a demonstration that Nicaragua had deliberately failed to accept the court's compulsory jurisdiction and was thus seeking to sue when it could not be sued." He added, "We continue to believe that the court is not the proper forum, either as a matter of law, or for helping to achieve a peaceful resolution of the conflict in the region."

By a vote of 15-1, the court today decided against the U.S. contention that Nicaragua was not eligible to come before the court and rejected a U.S. bid to exempt itself from the court's authority. The court also kept in force its emergency ruling of last May ordering the U.S. to cease military actions against the Nicaraguan Government, pending final legal resolution of the case.

The court said today that the U.S. must adhere to a 1946 declaration in which it pledged to recognize unequivocally the court's authority, unless it specified six months in advance that it would not.

The U.S. declared it would not recognize the court's jurisdiction over Central American conflicts for a period of two years. But this is not to the court's requirement of six months.

U.S. ECONOMIC SLOWDOWN TO AFFECT NICARAGUA

OW270831 Beijing XINHUA in English 0634 GMT 27 Nov 84

[Text] Washington, November 26 (XINHUA) -- The Latin American debt problem may flare up again to the worry of international bankers because of the drastic slow-down of the U.S. economy, WALL STREET JOURNAL reported today.

Last week, the U.S. Commerce Department lowered its assessment of third-quarter economic growth to an annual rate of 1.9 percent. Other indicators show no signs of pick-up in the fourth quarter. Therefore, the paper said, the debt-ridden Latin American countries could get hurt for being unable to expand their export to the United States further.

"Cuts in imports to offset the export drop wouldn't be easy for most big Latin American debtors: They've already carried out substantial import reductions under their IMF agreements," the paper noted. "A falloff in exports could put these countries behind in meeting economic targets set with the International Monetary Fund (IMF) in agreements that often carry considerable weight in bank debt rescheduling accords," it said. It quoted a Latin American loan officer in London as saying that "if U.S. growth drops much below 4 percent annually, there could be difficulties with some of the Latin American (debt) rescheduling programs."

Latin American exports to the seven major industrial countries during the first nine months this year rose more than 11.6 billion dollars, 9.74 billion of which from trade with the United States. [sentence as received] According to the latest issue of Morgan Guaranty Trust Co., their current debt outstanding amounts to over 300 billion dollars and is accruing by over 10 percent a year.

There is one healthier development, that slower U.S. economic growth has prompted consecutive drops in the interest rates, for a one-percent drop would mean a reduction of 700 million dollars of repayment a year for a country like Brazil, whose foreign debt stands around the 100-billion-dollar level. There is doubt among banking circles whether lower interest rates will fully offset the losses caused by the Latin American countries' substantially reduced exports.

#### U.S. OPPOSES LOANS TO DEVELOPING COUNTRIES

OW271003 Beijing XINHUA in English 0824 GMT 27 Nov 84

[Text] Washington, November 26 (XINHUA) -- The World Bank has been successful in providing soft loans and credits to the developing nations while maintaining a sound financial position, but its lending policy is disliked by its biggest shareholder, the United States, according to U.S. press reports.

Three weeks ago, the bank's executive directors approved a loan of 130 million dollars to a state-owned oil enterprise in Colombia; the only nay came from the U.S. representative, James B. Burnham. Burnham also was the sole dissenter last September when the bank voted on a 150-million-dollar agricultural loan to the Philippines.

Each year, the World Bank, formally known as the International Bank for Reconstruction and Development, commits about 15 billion dollars for infrastructural projects in the developing countries. Many of the loans face opposition from the United States, which favors private sector financing. During the past four years, the U.S. has voted against almost 50 Third World loans.

Burnham, in an interview with the NEW YORK TIMES, said "Our approach in the multilateral financial institutions has been to stress the need for greater market-oriented conditionality in lending operations.... The bank's resources should be used only where they do not run the risk of displacing alternative sources of finance." Obviously, he was referring to private commercial lending, where rates often are higher.

As the United States holds 20 percent of the bank's stock, what Burnham and other U.S. officials say carries great weight with the bank.

The bank appealed at the last World Bank-IMF annual meeting for a fresh increase in its lending resources. But the request went nowhere because of strong U.S. opposition.

According to a NEW YORK TIMES report, a representative at the bank said "the developing countries are anguished that the United States can throw its weight around in this fashion." Since the beginning of this year, the U.S. has rejected bank's loans to India, the Philippines, Colombia, China, Hungary, Ethiopia, Nigeria and Madagascar.



COMMENT ON GROWING WORLD TRADE PROTECTIONISM

HK270903 Shanghai SHIJIE JINJI DAOBAO in Chinese 12 Nov 84 p 9

[Report: "The World Trade System Is Again Threatened by Protectionism"]

[Text] According to foreign reports, a situation similar to shortly before the "great crisis" of the 1930's has emerged in recent years: Protectionism is rising in an all-round way and the world trade system is gravely threatened. More dangerous is the fact that protectionism in trade has not appeared in its crude form, but has put on the outward appearance of "automatic restrictions," "orderly markets," "well-managed trade," and so on.

The United States is the biggest importing country, with its imports accounting for 55 percent of the world's total imports. For various reasons, such as the imbalance in the revival of different industries and pressure from elections, following restrictions on imports of automobiles, special types of steel, meat, sugar, textile products, and iron and steel, it is ready to place restrictions on imports of machine tools. It is estimated that after the elections, the protectionist pressures will be still greater.

Accounting for 30 percent of the world's total imports, the European Economic Community is hampered by a high unemployment rate and is adopting non-tariff barriers on agricultural produce, textile products, Japanese-made industrial products, and other commodities to impede imports.

Japan, accounting for 10 percent of the world's total imports, has time and again asserted that it is suffering from the protectionism of the U.S. and Western Europe; at the same time it has also resorted to restricting imports of semiprocessed industrial products and has adopted strict testing and examinations to restrict imports of food-stuffs.

In face of the ever-aggravating protectionism in trade on the part of developed countries, the developing countries are adopting some countermeasures. For example: They are doing their best to adopt the reciprocal trading, where exports equal imports, and to take tit-for-tat counteractions against the discriminatory policies of the developed countries. Some developing countries are also paying attention to readjusting the industrial structure of their own countries so as to suit the developing trend of the world economy and to diversify their export market.

Relevant specialists hold that as many West European and U.S. products lose their competitive power in the world market and the new rising industrial countries continuously launch their attacks, protectionism in trade will be no means be a transitional phenomenon.



VANCE INTERVIEW ON SINO-U.S. ECONOMIC COOPERATION

HK270651 Shanghai SHIJIE JINGJI DAOBAO in Chinese 12 Nov 84 pp 1, 2

[Report by Zhang Yining and Pan Muping: "Former U.S. Secretary of State Vance Says: Sino-U.S. Economic Cooperation Will Provide an Example for South-North Relations"]

[Text] In reference to the world economic situation, former U.S. Secretary of State Vance points out that generally speaking, the world economic situation is actually better than it was a year or two ago; however, there actually exist some very serious problems; in particular, the debt problem of the Third World, which affects not only Latin America, but also Africa and the Pacific region, giving rise to other more serious problems. The reporters of this newspaper were told this during an interview in his sitting room on 6 November. According to Mr Vance, the essence of South-North relations is the economic problem, while politics is also involved. Therefore, it is an extremely complicated and important problem, but will not be easily solved. On this, Mr Vance said that he did not regard Sino-U.S. economic exchange and cooperation as merely a bilateral question, but held that in a broader sense, such cooperation provided a significant example for South-North relations.

Speaking of Sino-U.S. relations, Mr Vance was very happy. According to him, Sino-U.S. relations are strengthening, and will further develop and be improved. This is because both parties have realized the importance of such relations, and are ready to adopt necessary measures to push their development further forward. He showed particular interest in the decision on reform of the economic structure adopted by the 3d Plenary Session of the 12th CPC Central Committee, holding that this decision has won wide and warm acclaim in the world. Nevertheless, he displayed doubts regarding the practical implementation of a decision on reform on such a large scale. He said that in the reform of the whole economic structure, the reform of the price system is the most complicated issue, and also the crux of the success or failure of the reform. Up until the present, China may not have found a complete set of measures for the reform in the price system. In any case, the decision on reform has brought about great positive effects on investment in China from foreign countries.

According to Mr Vance, there are serious problems in the U.S. economic situation, such as the huge amount of internal debts, an extremely unfavorable balance of trade, exceeding \$100 billion, which was unimaginable a few years ago, and, also the problem of high interest rates. He hopes that the U.S. Congress will adopt the necessary measures to solve these problems. Otherwise, the United States will possibly be bogged down in a new recession by the end of 1985 or 1986.

In conclusion, the reporter asked Mr Vance, as the chief sponsor of the U.S. party at the "Shanghai Forum on International Investment Law," to give his impressions of current forum. According to him, the current forum is quite different from the Sino-U.S. "Forum on International Transference of Technology" held in Shanghai in February this year. If the previous forum is said to be one for specialists, the current forum is a meeting for high-ranking entrepreneurs. The participants are mostly high ranking officials of big corporations, bankers, and investors, but not technologists, and they can carry out effective negotiations with China on the projects they have an interest in and hold wide-ranging discussions on financial and legal problems concerning investment. It is his belief that prompting trade and economic exchanges between each other is the most effective channel for promoting mutual understanding between two countries and the all-round development of their relations.

MAJOR U.S. BANKS LOWER PRIME LENDING RATE

OW271239 Beijing XINHUA in English 1202 GMT 27 Nov 84

[Text] Washington, November 26 (XINHUA) -- Some major U.S. banks, for the fifth time in two months, today reduced their prime lending rate from 11.75 percent to 11.5 percent, the lowest since April. A prime rate cut had been expected since the U.S. Federal Reserve Board lowered on November 21 its discount rate from 9 percent to 8.5 percent, which is the interest rate for its loans to commercial banks and financial institutions. The prime lending rate during the period between March 19 to April 5 was 11.5 percent.

Citibank, the country's second largest bank, was the first to reduce its prime rate in this latest round of cuts. The reduction was matched by first national bank of Chicago, Mellon Bank of Pittsburgh, and several regional banks. Earlier, major U.S. banks lowered their prime rates from 13 percent to 12.75 percent on September 27, to 12.5 percent on October 6, to 12 percent on October 26 and to 11.75 percent on November 8.

It is estimated that Latin American nations alone owe about 300 billion U.S. dollars of foreign debt, half of which is of interest charge. As interest rates are linked with the U.S. prime rate, a decline of a full percentage point in the prime rate will save those nations about 100 million dollars a month in interest costs.

U.S. FIRMS ATTEMPT TO LOCK UP HIGH TECH SECRETS

OW270813 Beijing XINHUA in English 0719 GMT 27 Nov 84

["U.S. Firms Try To Lock Up Trade Secrets in Fierce Competitions" -- XINHUA headline]

[Text] Washington, November 26 (XINHUA) -- U.S. firms are trying all means to lock up trade secrets, as high-tech companies' battle for an edge in an increasingly competitive marketplace, reported THE WASHINGTON POST today.

As fierce competition and a fluid economy leads to more job mobility, U.S. companies are drawing up "employee confidentiality agreements" binding workers not to divulge trade secrets. Virtually all U.S. high-tech companies require employees to sign confidentiality agreements. "Agreements not to use an employer's trade secrets are almost universal," said Jack Bain, an attorney with the Phoenix, Arizona, law firm "Brown and Bain."

Many contracts require new employees to list all ideas and patents they have before employment commences. Thereafter, all ideas belong to the company -- even what that employee thinks of when taking a shower at home, the paper said.

All employees, even clerical workers, have to sign the contracts. "Even a typist may type something we consider hot potatoes and take it home to her boyfriend," an employer said.

Some U.S. companies even ask employees to clear ideas they want to develop outside the companies, and the companies might try to retain the right to develop the ideas. U.S. firms are on guard against even their own customers. They use some electronic equipment to monitor whether the customers take apart their products to learn how to duplicate it.

ZAMYATIN COMMENTS ON U.S. MISSILE DEPLOYMENT

OW280753 Beijing XINHUA in English 0640 GMT 28 Nov 84

[Text] Moscow, November 28 (XINHUA) -- Leonid Zamyatin, chief of the International Information Department of the Central Committee the Soviet Communist Party, today described as "pure assumption" Western claims that the Soviet Union tolerates the deployment of U.S. missiles in Western Europe.

In an article published in today's LITERARY GAZETTE, Zamyatin said that these claims aim to justify the NATO decision to deploy missiles and to appease public indignation over the deployment of U.S. missiles in Western Europe.

Commenting on the upcoming negotiations between the Soviet Union and the United States, he said that what the United States offers during these talks will determine the success of the negotiations. The acts of the United States and their attitude to Soviet suggestions will be viewed as a test of the sincerity and willingness of the U.S. to improve relations with the Soviet Union and effectively limit the arms race, he said.

BA JIN MEETS SOVIET GUESTS IN SHANGHAI

OW280057 Beijing XINHUA Domestic Service in Chinese 1437 GMT 26 Nov 84

[Text] Shanghai, 26 Nov (XINHUA) -- Noted Chinese writer Ba Jin today met with Doctor Serebryakov, president of the Leningrad branch of the USSR-China Friendship Association, and other Soviet guests at his home. Serebryakov is head of Chinese Language Teaching and Research Office of the Department of Eastern Languages of Leningrad Zhdanov University and has known Ba Jin since the 1950's. He is now visiting Shanghai with other members of the tourist group of activists of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries and the USSR-China Friendship Association.

SHANGHAI VICE MAYOR FETES SOVIET VISITORS

OW280225 Shanghai City Service in Mandarin 2300 GMT 26 Nov 84

[Text] A tourist group composed of activists of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries and the Soviet-Chinese Friendship Society visited the (Yuyuan) neighborhood of Shanghai's Jingan District yesterday morning and was warmly welcomed by the people there.

The Soviet guests arrived in Shanghai on 24 November. They have visited the Youth Palace operated by the Chinese Welfare Institute, the Chinese Film Studio, Fudan University, and other places. On the evening of 25 November, Vice Mayor of Shanghai Ruan Congwu met with and feted the Soviet guests.

SUPREME SOVIET OPENS REGULAR SESSION 27 NOV

OW271824 Beijing XINHUA in English 1640 GMT 27 Nov 84

[Text] Moscow, November 27 (XINHUA) -- A regular session of the USSR Supreme Soviet opened here this morning attended by Konstantin Chernenko and other Soviet leaders. Defence Minister D.F. Ustinov was absent. In a report to the session on the country's economic performance this year, N.K. Baybakov, chairman of the state Planning Committee, said that the national revenues of the country this year are expected to be up 3.10 percent as planned. The industrial output value will increase by 4.4 percent, (the planned increase rate being 3.8 percent) and the average per capital income will increase by 3.3 percent which is 0.2 percent less than planned. The total agricultural production value is below the target specified in the five-year state plan, he said. He said the state has planned a 3.5 percent increase in national income in 1985, a 3.9 percent growth in the value of industrial production and a 6.7 percent increase in agricultural production. Finance Minister V. F. Garbuzov said at the session that Soviet defence expenditures for 1985 will be 19.063 billion roubles (about 14.6 billion U.S. dollars) 2.009 billion roubles (1.54 billion U.S. dollars) more than last year, which constitutes 4.9 percent of the total expenditure budget of 1985.

LITHUANIAN SOCCER TEAM TOURS PRC, COMPETES

OW230841 Beijing in Russian to the USSR 1800 GMT 22 Nov 84

[Text] At the invitation of the Chinese Soccer Association the Zhalgiris Club soccer team from the Lithuanian Soviet Socialist Republic arrived in Beijing at noon on 22 November. The team consists of 22 people headed by Vladas Karvialis. They were met at the airport by (Chen Chunda), general secretary of the Chinese Soccer Association, and responsible workers of interested circles, as well as personnel from the USSR Embassy in the PRC. During its visit in China, the Soviet Zhalgiris Club soccer team will visit Beijing, Dalian, and Shanghai and will hold friendly matches with Dalian, and Shanghai soccer teams.

## Beijing Dinner

OW231808 Beijing XINHUA in English 1602 GMT 23 Nov 84

[Text] Beijing, November 23 (XINHUA) -- The Zhaligiris Club soccer team, from the Soviet Union, was welcomed here this evening at a dinner hosted by the Chinese Football Association. The team finished fifth last year and ended in ninth place this year in the Soviet first-division table. The team will leave for Dalian tomorrow for a match Monday with the local side. The tour will wind up with a match Wednesday in Shanghai against the city team. Before tonight's welcoming dinner, Lu Jindong, vice-minister of the Chinese Physical Culture and Sports Commission, met the members of the team, led by Vladas Karvialis. The two men expressed the hope that sports exchanges would help promote friendship between China and the Soviet Union.

## Plays Game in Dalian

OW261736 Beijing XINHUA in English 1614 GMT 26 Nov 84

[Text] Dalian, November 26 (XINHUA) -- The visiting Zhaligiris Club soccer team from the Soviet Union lost its opening match 0-2 to China's Dalian team today in this port city of Liaoning Province, northeast China. The Dalian team, promoted to be a top division team only this year at the Chinese Football Association Cup, scored the first goal on a penalty kick by Liu Zhijun in the 15th minute. The visitors, ninth finisher on the Soviet first-division table, is the first Soviet team to tour the city since 1960. The Chinese team added another goal after interval when Gao Shen headed the ball into the net in the 15th minutes. The visitors will leave for Shanghai tomorrow and meet the Shanghai team Wednesday.



DPRK SUGGESTS POSTPONING TALKS WITH SOUTH

OW271327 Beijing XINHUA Domestic Service in Chinese 0928 GMT 27 Nov 84

[Text] Pyongyang, 27 Nov (XINHUA) -- Yi Song-nok, chief of the North delegation of the North-South Korean economic talks, suggested today that the second talks originally set for 5 December be postponed until next year. Yi Song-nok made the suggestion today in a notification given over the telephone to Kim Ki-hwan, chief delegate of the South.

According to a report by the Korean Central Broadcasting Station, the notification given by Yi Song-nok over the telephone said that the serious incident which occurred on 23 November at the conference site area of the Joint Security Area in Panmunjom where DPRK guards were killed by U.S. and South Korean guards had "threatened peace to a very serious extent and caused a sharp deterioration of the atmosphere for dialogue," and under such circumstances "there was no guarantee for the delegates' personal safety, and it would be impossible for them to hold the talks without feeling ill at ease." Yi Song-nok said: "Because of this, we believe that the second North-South economic talks originally scheduled for 5 December must be postponed until next year."

Yi Song-nok reaffirmed that the basic stand of North Korea is to hope that the North-South economic talks, the first of their kind in the past 40 years, will yield results. He hoped that South Korea would take responsible measures to ease the tension caused by this incident and create an atmosphere for dialogue so that the talks will be resumed at an early date.

RENMIN RIBAO REPORTER ON PRC-DPRK FRIENDSHIP

HK271546 Beijing RENMIN RIBAO in Chinese 24 Nov 84 p 6

[Newsletter by reporter Yu Ning: "Let Revolutionary Traditions Be Passed on From Generation to Generation"]

[Excerpts] Korea tenaciously cherishes its glorious revolutionary traditions and attaches great importance to constant education on revolutionary traditions among the people -- this is the profound impression which our RENMIN RIBAO delegation brought back from a short visit to Korea.

Comrade Kil Il-Song, the great leader of the Korean people, pointed out soon after the end of the Korean liberation war that the inherited and developed revolutionary traditions were the basic conditions to guarantee the victory of the revolution and of socialist and communist construction. Comrade Kim Ki-nam, editor in chief of NODONG SINMUN, told us that the Workers Party of Korea [WPK] was now attaching greater importance to education in revolutionary traditions, following more and more successes in socialist construction, the constant improvement of the people's livelihood, and the development of the struggle for independence and peaceful unification of the motherland.

Educating the people to make unremitting efforts to consolidate and develop the blood-cemented, militant friendship between the Korean and Chinese peoples is an important part of the education in revolutionary traditions.



When receiving us, President Kim Il-song said: "We are now strengthening education for the younger generation, telling them to cherish the friendship between the Korean and Chinese peoples and pass it on from generation to generation." Imbued with deep feelings, he said in retrospect: "Hundreds of thousands of comrades of the Chinese People's Volunteers shed blood for Korea. Among them was Mao Anying, the son of Comrade Mao Zedong, the great leader of the Chinese people.... This is a fact which the Korean people will never forget." In the hope of further strengthening the friendly feelings between the Korean and Chinese peoples, the Political Bureau of the SPK Central Committee decided to rebuild and extend the Friendship Tower. Now, the rebuilt Friendship Tower looks taller and more grandiose. Monuments throughout the country marking Korean-Chinese friendship have also been properly renovated or rebuilt. After the war in Korea, the people in Anju Prefecture built a cement monument in memory of the Chinese People's Volunteers. Comrade Kim Chong-il found cracks in the monument when he once inspected the place. So he instructed someone to have the monument rebuilt with stone as a permanent commemoration. Now the construction of a new monument is in full swing and will be completed by late November this year. The prefecture's party committee was also told to strengthen education for party members and the masses and make new contributions to the consolidation and development of the Korean-Chinese friendship.

#### DPRK OCEANOGRAPHY DELEGATION ARRIVES IN BEIJING

OW271313 Beijing XINHUA in English 1258 GMT 27 Nov 84

[Text] Beijing, November 17 (XINHUA) -- Luo Yuru, director of the State Bureau of Oceanography, gave a banquet here this evening for the visiting oceanographic delegation of the Democratic People's Republic of Korea.

The six-member delegation, led by Yi Kon-il, director of the State Hydrometeorological Service, arrived here by train earlier today. During their stay in China, the Korean guests will make extensive study of China's marine research and technology development, visit research institutions and discuss the cooperation of marine technology between the two countries.

#### DPRK, SOVIET UNION INITIAL BORDER TREATY

OW271347 Beijing XINHUA in English 1304 GMT 27 Nov 84

[Text] Pyongyang, November 27 (XINHUA) -- A treaty regulating movement over the Korean-Soviet border was initialed here yesterday, the KOREAN NEWS AGENCY reported.

The agency said it was initialed by Korean First Vice Foreign Minister Yi Chong-mok and Soviet First Vice Foreign Minister Mikhail Kapitsa. The Soviet news agency TASS reported earlier that the talks involved a formal treaty regulating the 60-kilometer frontier along the Tumen River.

#### CHINESE FISHERMEN RESCUE KOREAN SAILORS

OW261858 Beijing XINHUA in English 1831 GMT 26 Nov 84

[Text] Shenyang, November 26 (XINHUA) -- Four Korean Sailors rescued by Chinese fishermen after their ship sank in the Yalu River last Friday were returned to the Democratic People's Republic of Korea last night. The rescued sailors were the captain and three crewmen of a towboat and two barges which sank in the Yalu on November 23. Four more crewmen are still listed as missing. A search conducted by the Korean and Chinese authorities is still underway.

PRC-DPRK YALU JIANG HYDROELECTRIC MEETING ENDS

OW231812 Beijing XINHUA in English 1654 GMT 23 Nov 84

[Text] Pyongyang, November 23 (XINHUA) -- The two sides of the Board of Directors of the China-Korea Yalu River Hydro-Electric Power Company ended the 37th session of the board here today. At the session which opened on November 2, the two sides' directors general of the board, Li Daigeng, who led the Chinese delegation, and Yi Chung-ong, head of the Korea delegation, reached agreement on the 1983 budget of the company and its 1984 program. Li Daigeng and his delegation arrived here on October 26.

PRC WOMEN'S DELEGATION SOJOURNS IN DPRK

SK250801 Beijing International Service in Korean 1100 GMT 24 Nov 84

[Text] A Chinese women's delegation led by Zhang Guoying, vice president of the All-China Women's Federation and first secretary of its Secretariat, made a friendship visit to the DPRK from 8 to 23 November. On 18 November, Comrade Ho Chong-suk, secretary of the Workers Party of Korea Central Committee, met the delegation and had warm and friendly conversations with it. Comrade Ho Chong-suk said that the Korean people and women, who treasure Korea-China friendship very much, will make strenuous efforts to develop this friendship. While in Korea, the delegation exchanged the experiences attained in the work of women and children with its Korean sisters while touring facilities for women and children in Pyongyang, Wonsan, and other local areas.

Talking about her impressions of her visit at Korea, Zhang Guoying, the chief delegate, said that kindergartens, nursery schools, and juvenile palaces are built well and Korean children receive an excellent educational beginning in childhood.

GU MU WELCOMES INCREASED JAPANESE INVESTMENT

OW271854 Beijing XINHUA in English 1638 GMT 27 Nov 84

[Text] Beijing, November 27 (XINHUA) -- "China's present economic situation is excellent and Japanese firms might invest boldly," State Councilor Gu Mu told a Japanese delegation here today. He said that for such joint ventures as harbor and energy construction projects, which have slow economic returns, the duration of cooperation could be extended. He also said he hoped for stronger Japanese competitiveness in economic and technical cooperation with China. The Japanese delegation attended a just-concluded Symposium on Sino-Japanese Economic and Technical Cooperation held here by the PEOPLE'S DAILY and the NIPPON KEIZAI SHIMBUN.

PRC TO SPONSOR FORUM ON SAFEGUARDING PEACE

OW271839 Beijing XINHUA in English 1636 GMT 27 Nov 84

[Text] Beijing, November 27 (XINHUA) -- The Chinese Association for International Understanding [CAFIU] will hold a forum on safeguarding world peace in Beijing in June, 1985. This was announced by Li Yimang, president of the C.A.F.I.U., here tonight. He said the purpose of the forum will be to strengthen the association's ties and cooperation with the peace movement, and organizations and people in various countries. Free exchange of views will (?be conducted) at the forum, he said. But it "does not intend to adopt any resolutions."

Li was speaking at a reception for a Japanese press and publishing delegation led by Katsuaki Kaneko. The delegation arrived here Monday evening after touring Shanghai and Xian.

RENMIN RIBAO ON COASTAL CITIES HONG KONG MEETING

HK230610 Beijing RENMIN RIBAO in Chinese 16 Nov 84 p 2

[Article by reporters Lin Xi and Zhang Yushu: "An Exploration for Turning to the World — Commenting on the First Symposium on Investment in Open Coastal Cities Held in Hong Kong"]

[Text] The cold, windy winter set in early around mid-November in Beijing, but Hong Kong was still as warm as spring. Since the symposium on investment in open coastal cities started on 6 November, investors from Hong Kong and Macao regions, as well as overseas countries, have enthusiastically come to hold talks on investment and to investigate opportunities for cooperation. They came from countries around the globe. This is a new step for China's economy in turning to the world in a better way. This will also make the future economy of Hong Kong more prosperous.

Over the past few days, representatives of various open coastal cities have conscientiously introduced to the foreign businessmen China's policy of opening to the outside world as well as their own environment for investment. In addition, they have frankly and specifically answered various questions. These questions are mainly on the taxation policy, the potential market, the ways of selling goods, the wage system, the protection of patent rights, the efficiency of units with which they will cooperate, and so on. Of course, the main focus of these problems is profitability. In fact, these questions, which are directly related to profitability, have been clearly stipulated in the law on joint ventures that was announced by the Chinese Government. In addition, responsible persons of various participating delegations have personally answered the investors' questions and have distributed relevant documents and materials. But the investors still continue to ask questions. This has shown that they hope to understand in a more direct way the implementation of the joint venture law in various cities, the more specifically the better, so they can accurately estimate whether or not China is their best investment area. Many investors are also concerned about China's investment law foundation and its legal assurances. On this point, Comrade Wei Yuming, vice minister of economic relations and trade and head of the investment negotiations delegation, has given a definite answer: The Chinese Government has established the investment law to protect the legitimate rights of investors, and it is sure to be enforced. Nevertheless, many investors hold that these laws and regulations should be more specific and detailed in many areas.

The focus of the import investment of various open coastal cities is on the transformation of original enterprises, particularly in regard to medium and small-scale items of technical transformation. The tens of thousands of enterprises in China undoubtedly form a gigantic potential market. Delegations from Shanghai, Qingdao and other cities clearly stated: The key to achieving the strategic goal of quadrupling mainly rests with the technical transformation and replacement of equipment in the present enterprises. Therefore, the imported foreign investment will be first used in this area. We must utilize a more systematic plan as opposed to the present practice of implementing transformation item by item and strive to apply new technology and equipment to various trades. Investors from the Hong Kong region, Japan, and the FRG appreciate this attitude. When holding a banquet to receive the delegations, Mr (Purves), vice chairman of the Board of Directors of the Hong Kong and Shanghai Bank, said: Hong Kong's financial circle is very interested in this large-scale symposium on investment. The Hong Kong and Shanghai Bank is willing to mobilize its financial resources to serve the construction of various open coastal cities.



Also, some entrepreneurs from Japan and the FRG came to attend the symposium. The economies of these two countries have been developing rather rapidly since World War II. The experiences of the distinctive medium and small-scale enterprises in these countries can be used for our reference when we transform China's present enterprises. Based on some enterprises, which have been jointly established with firms of these countries, it can be said that their operation is quite successful.

Furthermore, because science and technology change with each passing day, many enterprises in these two countries are in the progress of replacing the outmoded, in which they need to transfer abroad intermediate level technology, equipment, and production techniques. This is exactly what China wants in the course of enterprise transformation. The symposium has made rudimentary progress in this regard, and letters of intent and protocols on many items have been signed. It seems that there is plenty of room for cooperation in this respect.

China's representative organs in Hong Kong and Hong Kong's fellow townsmen in 19 provinces and regions actively did much outstanding work for this symposium. Their enthusiasm for the construction of hometowns is really touching. On the day the symposium was opened, Pao Yue-sing [0545 3768 2502], blood brother of Mr Y.K. Pao, signed two agreements with the delegation of Ningbo City. They include a hovercraft service from Ningbo to Shanghai and from Ningbo to Hangzhou, and the joint construction of a hotel.

Together with approximately 20 Japanese businessmen, the general manager of the Bank of Tokyo's Hong Kong branch gave a banquet in honor of the Dalian delegation and sincerely hoped for maintaining close cooperation relations. As a door to northeastern China, Dalian has had rather close ties with Japan for a long time. In particular, the two places are geographically quite close. Therefore, the city is a great attraction for them. Many Japanese industrialists have visited Dalian, and hold that investment in Dalian has bright prospects since it has a vast hinterland. Some industrialists have suggested the open coastal cities must make better links with the hinterland. This requires China to spend great efforts on transportation, telecommunications, and other areas; otherwise, it will be difficult for the investment to fulfill its proper role. These suggestions are to the point. To a very large extent, the results of this symposium were affected just because of inconvenient transportation and ineffective telecommunications.

The delegation from Yantai City said: "We come here to 'let Yantai understand the world and, of course, let the world understand Yantai.'" This was also the wish shared by delegations of various open coastal cities.

The aim of representatives of various cities in attending this symposium is to import foreign capital and to recruit qualified personnel from abroad, so as to speed up the pace of the four modernizations. Over the past few days, various delegations have been so busy that they have found it difficult to attend to so much business. But the atmosphere in exploring possibilities for cooperation between parties has been very friendly. The cities have found their best partners for proposed and additional project items. The Hong Kong entrepreneurs spoke highly of this symposium as well as the friendly cooperation between both parties during discussions. Comrade Wei Yuming, head of delegations, told reporters: China's political situation is stable. In particular, China is now carrying out reform in the economic structure so that the Chinese market can accommodate huge investment sums.

EVERBRIGHT, SUMITOMO GROUPS SIGN AGREEMENT

HK230511 Beijing XINHUA Hong Kong Service in Chinese 0702 GMT 22 Nov 84

[Text] Hong Kong, 22 Nov (XINHUA) -- The Everbright Group of China and the well-known Sumitomo Group of Japan have just signed an agreement on cooperation to jointly run some large-scale investment projects in the China mainland, Hong Kong, and Macao. The signing ceremony of the agreement on cooperation was held at the headquarters of the Everbright Group in the Far East financial center in Hong Kong this morning. Wang Guangying, president of the Chinese Everbright Group Company Limited, and (Takeshi Ikami), vice president of the Japanese Sumitomo Corporation, who had come to Hong Kong on a special trip, signed the agreement on behalf of their respective companies.

The agreement provides that each of the two signing parties should immediately inform the other party of the content of a proposed project whenever receiving information or an inquiry for price quotation on any specific project proposed by the objective areas (namely, the China mainland, Hong Kong, and Macao) which it considers feasible for cooperation. The latter party must make a reply on the proposed project within 2 weeks, and the specific terms of the cooperation project will be discussed later. If the two sides decide to enter into cooperation on the proposed project, they will extend preferential treatment to each other. The agreement will be valid for 1 year and will be automatically extended for another year after expiration if neither side lodges any objection. The Everbright Group had signed earlier a similar agreement with the Japanese Marubeni Corporation. It is the Sumitomo Group that took the initiative in proposing cooperation with the Everbright Group this time. The Sumitomo Group had already sent 14 representatives on a special trip to Hong Kong to negotiate with the Everbright Group about some specific cooperation projects.

After the signing ceremony, Wang Guangying, president of the Everbright Group, briefed reporters on the progress of some investment projects run by his group. Of these, the five projects being carried out in Beijing are the most spectacular. These are: 1) the construction of the 53-story Jinguang building; 2) the extension of the existing Beijing subway into a round-the-city subway network; 3) the project to pull down the Dongfeng market and build on the site a shopping center of modern appearance and with national characteristics, after the model of Hong Kong's landmark; 4) the promotion of a car-hire service; and 5) the reconstruction of Heping Guesthouse into a modern garden guesthouse. Wang Guangying said that all the projects were making good progress at the moment and some were even under construction.

When talking about the recently closed investment talks sponsored by the Chinese coastal open cities, Wang Guangying said: The Everbright Group has engaged in 60 investment projects involving an investment value of \$740 million. These projects account for 13 percent of all the concluded projects and 15.7 percent of the total investment value.

HONG KONG OPINION SURVEY FAVORS SINO-UK AGREEMENT

HK250229 Beijing ZHONGGUO XINWEN SHE in Chinese 1314 GMT 24 Nov 84

[Text] Hong Kong, 24 Nov (ZHONGGUO XINWEN SHE) -- The results of a recent public opinion survey conducted by Survey Research Hong Kong Limited show that 90 percent of the 3.7 million inhabitants aged over 17 hold that the joint Sino-British Declaration on the Hong Kong issue is good, and that under the major premise of the return of Hong Kong's sovereignty to China, it is better to have a Sino-British joint declaration than not to have one.



The results of the survey show that the great majority of Hong Kong citizens hold that sovereignty over Hong Kong should revert to China in 1997.

The results show that 57 percent of the citizens hold that the joint declaration is good for Hong Kong people; and less than 4 percent say that it is not good for them. According to the results, 16 percent of the people feel completely at ease, and 76 percent hope that there will be other guarantees, on the basis of accepting the joint declaration.

This public opinion survey on the Sino-British joint declaration which cost \$400,000, was conducted by Survey Research Hong Kong Limited. The five main sponsors were MING PAO, TUNGFANG JIH PAO, the SOUTH CHINA MORNING POST, commercial radio, and the Unofficial Members of Executive and Legislative Councils Office. The survey covered people of all classes aged over 18 who have lived in Hong Kong for more than 1 year. After a sample questionnaire had been drawn up based on random sampling, the survey visited 6,264 people and put questions to 6,214 of them. These represented the 3.71 million people aged over 18 in Hong Kong.

The aim of this opinion survey was to apply scientific methods to probe people's all-round and partial reactions to reactions to the joint Sino-British declaration on Hong Kong, the degree of understanding and acceptance of the declaration, and other views on the joint statement and on Hong Kong's future. The survey gathered six large volumes of materials, the last of which contained graphs summing up the survey. This was completed today.

#### GUIZHOU, MACAO AGREE ON RESOURCE DEVELOPMENT

OW241238 Beijing XINHUA in English 1157 GMT 24 Nov 84

[Text] Guiyang, November 24 (XINHUA) -- A long list of joint ventures for developing resources in Guizhou Province have been agreed upon by a Guizhou firm and one from Macao.

The pact was signed in Guiyang, capital of Guizhou, this week by the Guizhou Resources Development Corporation and the Senglei Iukei Investment and Development Co. of Macao. The ventures involve coal mining, tourism, marble quarries, cigarettes, wine, home, frozen beef and mutton, medicinal herbs, hotels, highways, an airline from Guiyang to Hong Kong. A part of the items will draw 25 million U.S. dollars from the Macao firm.

The two sides plan to establish an industrial development company with offices in Macao to sell Guizhou-produced machinery, electronic products, manufactured goods, textiles, pharmaceuticals and farm produce. The company will also import technology and equipment needed by the province, and build a hotel near the Guiyang railway station with funds raised through a stock issue.

#### PRC UNESCO DELEGATION LEAVES FOR MANILA

OW260708 Beijing XINHUA in English 0651 GMT 26 Nov 84

[Text] Beijing, November 26 (XINHUA) -- A Chinese delegation led by Gao Yi, chairman of the Chinese National Commission for UNESCO, left here today for Manila to attend the eighth regional conference of national commissions for UNESCO of Asia and the Pacific to be held from November 29 to December 4.

Delegates will discuss developments since the seventh regional conference and the implementation of UNESCO's 1984-85 plan, and make suggestions for its 1986-87 plan.

They will also study steps to be taken in implementing the resolutions passed at the recent 120th meeting of the UNESCO Executive Board held in Paris.

#### DELEGATE SPEAKS AT ASIA-PACIFIC TRADE SEMINAR

OW271005 Beijing XINHUA in English 0834 GMT 27 Nov 84

[Text] Canberra, November 27 (XINHUA) -- A seminar on Asian Pacific regional trade law ended here today, aiming to unify and harmonize international trade law and practices.

The six-day seminar discussed the institutional cooperation in the region, the international sale of goods, arbitration, contracts for large industrial works, financing and investment and sovereign immunity.

Participants exchanged views on the ways business communities, legal organizations and government institutions help foster cooperation and development in the region.

More than 200 participants representing 25 countries attended the seminar, which was conducted by the Australian attorney-general's department in association with the Secretariat of the United Nations Commission on International Trade Law and the Asian-African Legal Consultative Committee.

Head of the Chinese delegation Liu Chu spoke at the seminar on the legal protection of foreign investment in China.

#### THAI GUARDS REPULSE SRV-HENG SAMRIN INTRUDERS

OW271125 Beijing XINHUA in English 1035 GMT 27 Nov 84

[Text] Bangkok, November 27 (XINHUA) -- Thai border guards yesterday drove off a group of Vietnamese-Heng Samrin troops who intruded into an area near Nong Chan Village on the Thai side of the border, according to a report reaching here today.

The clash occurred at about 5 a.m. when 30-40 Vietnamese-Heng Samrin soldiers were spotted intruding into that area, which belongs to Ta Phraya District of Thailand's Prachin Buri Province. Thai frontier troops opened fire at the invaders, killing one and wounding ten others.

The intruders retaliated with rifle, mortar and rocket barrage. One Thai soldier was killed and eight others were wounded in the clash. The Vietnamese-Heng Samrin troops were then forced to retreat from Thai soil.

At the same time, fierce fighting between Vietnamese and resistance forces broke out again yesterday morning at Nong Chan camp on the Kampuchean side of the border, according to a local press report. Many Vietnamese artillery shells landed inside Thai border villages, wounding a number of local inhabitants and forcing some 2,000 Thai villagers to evacuate their homes to safe areas inside Thailand.

Nong Chan camp is a major base of the Khmer People's National Liberation front led by Democratic Kampuchean Prime Minister Son Sann. The Vietnamese troops launched an all-out assault on the camp on November 18, killing and wounding many refugees there and driving more than 10,000 refugees into Thailand. Fighting abated a few days ago.

PAKISTANI MINISTER MEETS U.S. SENATE DELEGATION

OW272009 Beijing XINHUA in English 1958 GMT 27 Nov 84

[Text] Islamabad, November 27 (XINHUA) -- Pakistan has sustained a growth rate of over six percent during the last seven years. This was disclosed by Pakistan Minister for Planning and Development Mahbubul Haq to a visiting 4-member U.S. senators delegation here today.

He said that Pakistan, who lagged behind some South Asian countries at the time of its independence, has maintained in the past 6 years over 9 percent growth rate in the industrial sector, 4.5 percent in agriculture and 7 percent in services, giving an average growth rate of over 6 percent per annum, the fastest economic growth in South Asia with a total population of about one billion.

The minister also said that Pakistan, which used to import until a couple of years ago, has not only become self-sufficient in food supply, but also exported grains, fish, fruits and vegetables. He attributed the achievements to the government's realistic development strategy with emphasis put on the private sector.

The minister expressed satisfaction over Pakistan's economic cooperation with the United States which has so far provided Pakistan with economic assistance totalling 6 billion dollars. The American senators' delegation arrived here yesterday on a 4-day visit.

PRC DELEGATE SPEAKS AT NEPAL DATA BASE MEETING

OW231828 Beijing XINHUA in English 1643 GMT 23 Nov 84

[Text] Katmandu, November 23 (XINHUA) -- The six-day South and Central Asian regional workshop on data bases from the network point of view ended here today with the emphasis of regional cooperation in speeding up the development and utilization of computer and exchange of information.

At the seminar, jointly sponsored by the Nepalese national computer center and the United Nations educational, scientific and cultural organization, representatives from Afghanistan, Bangladesh, China, India, Mongolia, Nepal, Pakistan and Sri Lanka introduced the state of computer development and utilization in their respective countries and held discussions on the existing problems and exchanged experiences in the work. Song Zhiyong, representative of China made a report on network and data base for the monitoring system of environment protection. His report drew much interest from the participants. The participants also visited some facilities and systems of computer in Nepal's national computer center and banks.

At the closing ceremony, Nepalese Minister of Communications Rudra Bahadur Giri said that "in more practical terms data bases and data networks have become the state-of-the-art in information management. So this workshop on data bases from network point of view is obviously very timely and useful." He added, "Workshops like this will help a lot in building up informatics capability in the respective participating countries to bridge the gap between the developing and developed countries.

The chairman of the meeting S.K. Malla stressed at the conclusion of his speech the importance of the regional informatics network in promoting more regional co-operation and collaboration by establishing institutional relations among the various information centres.

#### ECONOMIC DELEGATION ENDS VISIT TO INDIA

OW251354 Beijing XINHUA in English 1324 GMT 25 Nov 84

[Text] New Delhi, November 25 (XINHUA) -- Visiting Chinese economic officials and their Indian counterparts shared the view that the two countries should expand technical and economic cooperation. This was disclosed here today at the end of an 8-day visit by a delegation of China's State Economic Commission headed by the commission's vice-chairman, Zhao Weichen.

During their stay in India, members of the Chinese delegation exchanged views with senior officials of the External Ministry, Planning Commission and other ministries. The Indian officials expressed a keen desire for increasing exchanges of personnel to broaden technical and economic cooperation between the two countries.

The Chinese economic officials made extensive contacts with Indian managers and businessmen during their visits to several state and private enterprises in Bombay, Bangalore and New Delhi. The visitors said they were impressed by the way India absorbs new technology introduced from abroad.

The Chinese delegation attended the third international plant engineering conference in Bombay after its arrival in India on November 13. It left here for home today.

#### PAKISTAN PROTESTS AFGHAN AIRSPACE VIOLATION

OW271826 Beijing XINHUA in English 1645 GMT 27 Nov 84

[Text] Islamabad, November 27 (XINHUA) -- The Pakistani Government today lodged a strong protest with the Afghan charge d'affaires here after Afghan planes violated Pakistani airspace.

A Foreign Office spokesman said here today that four Afghan planes intruded four kilometers into Pakistani airspace over the Chitral District of Northwest Frontier Province at 12:30 yesterday. The planes dropped 16 bombs and fired rockets, injuring one woman.

The Pakistani Government has informed the UN secretary general of the incident.



THATCHER TO PAY OFFICIAL VISIT TO PRC IN DEC

OW280920 Beijing XINHUA in English 0907 GMT 28 Nov 84

[Text] Beijing, November 28 (XINHUA) -- British Prime Minister Mrs. Margaret Thatcher will pay an official visit to Beijing between December 18 and 20 to sign the joint declaration of the Chinese and British Governments on the Hong Kong question. This was announced by a spokesman for the Chinese Foreign Ministry here this afternoon at the (weekly) news briefing. He said that, as guest of Premier Zhao Ziyang, Mrs. Thatcher will hold talks with Chinese leaders during the visit. She will be (accompanied by) British Foreign Secretary Sir Geoffrey Howe.

THATCHER RECEIVES GUANGDONG GOVERNOR 21 NOV

OW221227 Beijing XINHUA in English 1145 GMT 22 Nov 84

[Text] London, November 21 (XINHUA) -- British Prime Minister Margaret Thatcher expressed hope today that relations between Britain and China would be developed further after the signing and acceptance of the joint declaration on Hong Kong.

During her meeting with Liang Lingguang, governor of China's Guangdong Province, the prime minister said she hoped Sino-British relations will "turn into a new chapter and our cooperation, particularly political and commercial relations, would (?be) developed" as a result of the joint declaration, which was initialled by the Chinese and British Governments in Beijing on September 26. She also said the concept of "one country, two systems" is an intelligent idea.

Liang, who arrived here on November 15, is heading a delegation for a two-week visit to Britain.

BEIJING MAYOR MEETS BRITISH WATER SPECIALIST

OW221239 Beijing XINHUA in English 1213 GMT 22 Nov 84

[Text] Beijing, November 22 (XINHUA) -- Mayor of Beijing Chen Xitong has decided to draw on Britain's experience in managing waterways and controlling water pollution. He made the decision after meeting Hugh Fish, chairman of the Nature Environment Research Council of Britain, who is here to attend a Sino-British water seminar, which ended today.

In an interview with XINHUA today, the British water specialist known for turning the Thames into a clean river said he told Chen Xitong on Tuesday that decentralized management of waterways by different authorities was harmful to the circulation of water in local rivers and canals. The mayor accepted his suggestion for unified administration of waterways in the Beijing area, Fish said.

During the week-long seminar, some 150 Chinese experts from across the country joined the British specialists in discussing the protection of water sources, control of water pollution, and the management of surface and ground water. The Chinese scientists agreed that Britain's experience in water supply and purification was applicable to Beijing and other parts of China.

LI PENG MEETS FRENCH BUSINESSMEN 24 NOV

OW241646 Beijing XINHUA in English 1612 GMT 24 Nov 84

[Text] Beijing, November 24 (XINHUA) -- Vice-Premier Li Peng met here this evening Jean-Pierre DesGeorges, chairman and president of the Alsthom Atlantic Corporation of France, and his party.



After the meeting, Li hosted a dinner for the French visitors. Chinese Minister of Railways Chen Puru and French Ambassador to China Charles Malo were present on the occasion.

The French visitors came here on Thursday to take part in an exhibition on underground railways and railway transport.

The exhibition is sponsored by the Chinese Ministry of Railways and the China Council for the Promotion of International Trade.

#### DELEGATION DEPARTS TO STUDY FRENCH COOPERATIVES

OW271914 Beijing XINHUA in English 1630 GMT 27 Nov 84

[Text] Beijing, November 27 (XINHUA) -- A nine-member Chinese delegation left here for France this evening to study how French cooperatives handle agricultural produce and supplies.

Pan Yao, acting director of the All-China Federation of Supply and Marketing Cooperatives (Acfsmc) and head of the delegation, told XINHUA that this was the first such Chinese delegation to visit France. "The purpose of our visit is to study the management of various types of French cooperatives and see what we can make use of in our effort to improve the structure of China's supply and marketing cooperatives," he said. In recent years, he added, China has had very good harvests, and the supply and marketing cooperatives set-up has also improved. However, Pan stressed, the commodity sector is still not fully developed in rural China, and much remains to be done in production, circulation and management.

During their two-week tour, the Chinese will study French agricultural, consumer, housing and credit cooperatives. They will also discuss with their French counterparts the development of economic and technical cooperation between the two sides.

The Acfsmc has more than 130 million members, mostly peasants. It has established formal relations with cooperative organizations in a number of countries, and last October it formally applied to join the International Cooperative Alliance.

#### LI PENG MEETS WEST GERMAN BANK DELEGATION

OW221219 Beijing XINHUA in English 1149 GMT 22 Nov 84

[Text] Beijing, November 22 (XINHUA) -- Vice-Premier Li Peng met F. Wilhelm Christians, speaker of the Board of Management of Deutsche Bank of Federal Republic of Germany, and his party here this afternoon.

At the meeting, Christians expressed that his bank would like to help bank of China to enter the European capital market and continue its extensive international cooperation with Bank of China.

Li Peng said that the cooperation between China and Federal Republic of Germany in every aspect has a vast vistas.

#### SINO-MALTESE SERVICE COMPANY OPENS IN VALLETTA

OW251234 Beijing XINHUA Domestic Service in Chinese 0315 GMT 23 Nov 84

[By reporter Huang Changrui]

[Text] Valletta, 22 Nov (XINHUA) -- A ceremony marking the inauguration of the China-Malta Service Company, Ltd., was held this afternoon at the Saint (Angelo) ancient fort in Malta.

Zheng Tuobin, vice minister of foreign economic relations and trade, who accompanied President Li Xiannian during his visit here, and Karmenu Vela, minister of industry of Malta, attended the inauguration ceremony.

Speaking at the ceremony, Zheng Tuobin noted the very beneficial cooperation between China and Malta in the past decade or more in textiles, food, shipbuilding, and harbor construction industries. He said now the China-Malta Service Company, Ltd., has started its operations today. This has opened a new area for cooperation between the two countries.

The China-Malta Service Company, Ltd, is the first company jointly invested in and operated by China and Malta. It comprises a Changcheng Dining Hall that serves both Chinese and Western foods and an acupuncture and massage center. Cooks of the Chinese food department of the Changcheng Dining Hall and doctors of the acupuncture and massage center will be appointed by the Chinese side.

Maltese Government officials and personages from the country's economic circles as well as diplomats of some countries in Malta, nearly 100 people in all, were present at the ceremony. Also present was Hua Renqin, Chinese ambassador in Malta.

#### COMMUNICATIONS MINISTER LEAVES ON VISIT TO NORWAY

OW271834 Beijing XINHUA in English 1651 GMT 27 Nov 84

[Text] Beijing, November 27 (XINHUA) -- Chinese Minister of Communications Qian Yongchang left here for Norway today on a friendly visit at the invitation of the Norwegian Minister for Commerce and Shipping Asbjorn Haugstvedt.

#### TURKISH RULING PARTY LEADER COMMENTS ON PRC VISIT

OW220919 Beijing XINHUA in English 0902 GMT 22 Nov 84

[Text] Ankara, November 21 (XINHUA) -- A strong and prosperous China serves to guarantee peace and stability in the Far East and Asia, said Halil Sivgin, vice-president of the Turkish ruling Motherland Party today.

In an exclusive interview with XINHUA here today, Sivgin described as an extraordinary achievement China's successful effort to provide clothing, food and housing for its one billion inhabitants.

Sivgin has just returned here from his 26-day visit to China. He said that great changes have taken place in China's rural areas since 1978 and that China has decided to reform the economic structure in urban areas which, in his view, will benefit the Chinese people.

On Turko-Chinese relations, he said, "in a world fraught with contradictions and conflict, the fact that there is no problem between Turkey and China provides us with favorable conditions to further develop our friendly relations."

He hoped that "the leaders of Turkey and China will further increase cooperation and establish closer relations between the two countries."

YANG JINGREN SAYS DALAI LAMA WELCOME TO RETURN

OW271541 Beijing XINHUA in English 1437 GMT 27 Nov 84

["Dalai Lama Welcome To Return" -- XINHUA headline]

[Text] Beijing, November 27 (XINHUA) -- The Dalai Lama is welcome to return to visit or settle in China, Yang Jingren, head of the United Front Work Department of the Chinese Communist Party Central Committee, told three representatives of the Dalai Lama in a meeting here today.

Yang Jingren welcomed the willingness of the Dalai Lama to maintain contacts with central authorities and deepen mutual understanding which was conveyed by his representatives. He said that the central authorities were concerned with the conditions of the Dalai Lama and Tibetans now living abroad. The Dalai had expressed his wish on many occasions to improve relations with the central authorities and with the one billion people of China. He thought that the present policies of the central authorities were wise and that the principal leaders of China were trustworthy.

Yang said: "We appreciate all of this." Yang recalled that the Dalai Lama has sent several groups of people to return to visit and make contacts since 1978. These contacts helped in the exchange of views and enhanced mutual understanding. They were useful.

Top leaders of China pointed out during the talks, he said, that since liberation, the central authorities have adopted prudent policies for steady progress in Tibet. Though Tibet suffered interference by "left" ideas in 1959, this was not the real reason for the Dalai's having gone abroad. Dozens of years have passed and everyone agrees to General Secretary Hu Yaobang's statement that there should be no more arguing over past events and it's better to forget it.

Yang expressed appreciation for the conversations between the two sides. Over the past years, he said large numbers of Tibetans had returned to visit their relatives or friends and witnessed the developments and changes in Tibet and were kept abreast of the policies of the central authorities. Many of them had reported the situation accurately after leaving China, contributing to the country's unification and national unity. Many Tibetans had already returned to settle and the people's government made appropriate arrangements for their work and life. They were contributing to their native place and the country as a whole.

A new situation of stability and unity and prosperity had emerged in China in recent years, Yang said. Encouraging changes were also taking place in all Tibetan areas, including the Tibet Autonomous Region.

The Dalai Lama had expressed the wish of returning for a visit on many occasions. This time he asked three representatives to tell the central authorities that he hoped to return for a visit in 1985. He is welcome, Yang said.

The central authorities also stated on many occasions that the Dalai Lama was welcome to return, Yang said. The Dalai Lama is welcome to settle or just return to visit. If he did not wish to return for the time being, he could live abroad for a few more years.

General Secretary Hu Yaobang had stated explicitly that the Dalai Lama should issue a statement when he intended to return.

That meant that he should take a clear-cut position showing his purpose in returning to China. So long as the Dalai Lama returns to work for the country's unification and national unity, he could go and visit wherever he liked and his safety would be fully guaranteed.

It must be pointed out, Yang said, while the Dalai Lama sent his people to contact the central authorities and expressed the wish to improve relations with the central authorities, some of his followers carried out activities abroad advocating "Tibetan independence." Up to this year, they organized activities every March 10 to mark the "Tibetan uprising". Some of them went so far as to claim that the then Tibetan local government had been compelled to sign the 17-article agreement on Tibet's peaceful liberation with the central government in 1951. Time and again they instigated Tibetans abroad who were unaware of the truth to make trouble at Chinese Embassies. All these wrong statements and acts, he said ran counter to the wish of the Dalai Lama to improve his relations with the central authorities, a wish he had repeatedly expressed.

It must be stated explicitly, he said, anyone who stood for "Tibetan independence" and tried to split China and restore feudal serfdom, would never succeed. The people of Tibet and the rest of China would not permit such actions at any time under whatever circumstances because this did not accord with history and reality and was contrary to the fundamental interest of the Chinese people, including the people of Tibet.

#### Policy Made Public

OW271339 Beijing XINHUA in English 1318 GMT 27 Nov 84

["China's Senior Official Reaffirms Five-Point Policy Toward Dalai Lama" -- XINHUA headline]

[Text] Beijing, November 27 (XINHUA) -- A five-point policy toward the Dalai Lama and his followers that was formulated three years ago was made public by a senior official for the first time here today.

In 1981, when General Secretary Hu Yaobang received Gyalo Thondup, the Dalai Lama's brother, he explained the policy on behalf of the Chinese Communist Party Central Committee. The policy consists of these points:

One. China has now entered a new stage of long-term political stability, steady economic growth and relations of unity and mutual help among all nationalities. The Dalai Lama and his followers are intelligent people and therefore should have confidence in this. If they are skeptical about this and want to observe things for a few more years, they can do so.

Two. The Dalai Lama and the people he sends to get in touch with the central authorities should be frank and sincere and should not beat around the bush or look for a bargain. There should be no more arguing over the events in 1959. It's better to forget it.

Three. The central authorities sincerely welcome the Dalai Lama and his followers to come back to live.



This is based on the hope that the Dalai Lama will contribute to safeguarding China's unification, to promoting unity between the Han and Tibetan nationalities and among all nationalities in the country and to China's modernization.

Four. If the Dalai Lama comes back to live, he will enjoy the same political treatment and living conditions as he did before 1959. The Communist Party Central Committee will recommend that he be elected vice-chairman of the National People's Congress Standing Committee and, through consultation, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference. His living conditions will remain as before. It is suggested he not go to live in Tibet and hold local posts there because young people in Tibet have been promoted to leading posts and are doing very well. Of course, he can go back to Tibet from time to time. Proper arrangements will also be made for the placement of his followers. They don't have to worry about jobs and living conditions. These will only be better than in the past because progress has been made in the country.

Five. When the Dalai Lama decides to come back, he can issue a brief statement to the press. It's up to him to decide what he would say in the statement. He is expected to inform the central authorities of the date of his return. If he comes to Guangzhou via Hong Kong, the central authorities will send someone with ministerial rank and some other officials to meet him at the border. A news story to this effect will be released. If he comes back by air, a proper welcoming ceremony will be arranged for him and a news story about it will be published.

Yang Jingren, head of the United Front Work Department of the party Central Committee, reaffirmed the policy while receiving three representatives sent by the Dalai Lama here this afternoon. Quoting the five points one by one, Yang said that "this policy remains unchanged."

#### XI ZHONGXUN URGES INTENSIFIED UNITED FRONT WORK

OW280219 Beijing XINHUA Domestic Service in Chinese 1154 GMT 27 Nov 84

[Text] Beijing, 27 Nov (XINHUA) -- A meeting to discuss united front work and the operation of the CPPCC organs in coastal cities opening to the outside world and in the special economic zones closed in Beijing this morning. Speaking at the meeting, Xi Zhongxun, member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, pointed out that all party members must keep up with the new situation, learn new skills, and attach great importance to strengthening the united front operation.

Attendants of the 10-day meeting reviewed the united front work and the operation of the CPPCC organs in coastal cities opening to the outside world and in the special economic zones, summed up experiences in doing their work in this regard, and studied how to give further scope to the role of the united front and CPPCC departments in opening the nation to the outside world. They maintained that the meeting marked a good beginning of the united front operation in coastal cities opening to the outside world and in special economic zones.

In his speech, Xi Zhongxun dealt particularly with the situation at home and abroad and the role of the united front operation in socialist modernization.

Xi Zhongxun said: During the period of democratic revolution, the united front was an important "magic weapon" with which the nation won its revolutionary victory; during the new historical period of building a socialist society, the united front is still a "magic weapon," which has been playing a significant role in expediting socialist construction, in hastening the return of Taiwan to the motherland, in achieving the reunification of the motherland, in opposing hegemonism, and in preserving world peace. We must continue to eradicate erroneous "leftist" ideas, unite with all forces that can be united with, consolidate and form the broadest patriotic united front, and mobilize people at home and abroad to give full play to their patriotism, intelligence, and wisdom and work hard for revitalizing the nation and achieving the party's general tasks and general objectives.

Xi Zhongxun said: While discussing the Decision of the CPC Central Committee on Reform of the Economic Structure, Comrade Deng Xiaoping stressed that respect for knowledge and personnel is the key to the success or failure of our cause. To achieve the four modernizations and reform the economic structure, we must promote and train a large number of personnel who have both ability and political integrity; we must also mobilize the enthusiasm of the specialists and people with lofty ideals of such organs as the CPPCC, democratic parties, federations of industry and commerce, federations of returned Overseas Chinese, federations of Taiwan compatriots, and others. These non-CPC personnel, who play a special role in socialist modernization, in enlivening the domestic economy, and in opening our cities to the outside world are important forces in building our cities that are opening to the outside world and building our special economic zones; this has been fully demonstrated by the work accomplished in the past few years. However, some comrades still do not fully understand the role played by these non-CPC personnel. Not only have they paid little attention to their role, they are also prejudiced against them. Such incorrect attitudes must be corrected.

Xi Zhongxun said: In regard to reform and opening to the outside world, we must humbly learn from the non-CPC specialists what we do not know; even in areas that we are familiar with, we should heed the non-CPC personnel's opinions so that we can broaden our view and make the right decisions. We must constantly keep them informed of the current situation, and solicit their opinions on our plans and measures so that a system of consultation can be established.

Xi Zhongxun pointed out: United front work must serve the three major tasks, of which economic construction is the center, and serve our reforms and our work of opening to the outside world. We must explore new ways and new areas. Those who do economic work must understand the party's united front policy and have the united front concept; those who do united front work must understand economic work and have the economic concept. The various economic, cultural, and educational departments must pay particular attention to cooperating with all united front organs and non-CPC personnel. The united front and CPPCC departments in coastal cities opening to the outside world and in special economic zones must be fully proficient with their operation, firmly implement the party's united front policies, and strive to accomplish what leaders of the central authorities have required of us: We must have particularly high political consciousness, particularly strict discipline, particularly good work style, and particularly high efficiency.

This morning's meeting was chaired by Yang Jingren, vice chairman of the CPPCC National Committee and head of the CPC Central Committee United Front Work Department. Attending the meeting were Liu Lantao and Fei Xiaotong, vice chairmen of the CPPCC National Committee; Ping Jiesan, Li Gui, and Li Ding, leading members of the CPC Central Committee United Front Work Department; Peng Youjin, secretary general, and Yang Zhengmin and Cheng Siyuan, deputy secretaries general, of the CPPCC National Committee.

CIRCULAR ISSUED ON JAN-SEP ECONOMIC SITUATION

HK270800 Beijing JINGJI RIBAO in Chinese 13 Nov 84 p 2

[Report: "State Economic Commission, Ministry of Finance Issue Circular on Profits Made by State-Run Industrial and Commercial Enterprises Between January and September 1984"]

[Text] The State Economic Commission and the Ministry of Finance issued a circular on 11 October on the progress made by state-run industrial and commercial enterprises between January and September of this year in reducing deficits and raising profits. The full text of the circular follows:

From January to September 1984, various localities and departments inspired by the spirit of party rectification and reform, made relatively good progress in reducing deficits and raising profits. We have achieved nationwide simultaneous growth in production output, realized taxes and profits, and financial revenue. State-run commercial enterprises have also basically achieved a simultaneous growth in net sales volume, realized profits, and turned taxes and profits over to the state.

1. The Progress Made by State-Run Industrial Enterprises in Reducing Deficits and Raising Profits

From January to September, the total output value of state-run industrial enterprises covered by the state budget increased by 10.5 percent over the same period of last year, their sales revenue increased by 10.1 percent, their realized profits and sales tax increased by 12.3 percent, and their profits and sales tax turned over to the state increased by 6.8 percent. Twelve provinces and autonomous regions -- Liaoning, Jilin, Anhui, Fujian, Jiangxi, Henan, Hubei, Guangxi, Guizhou, Yunnan, Gansu, and Qinghai -- have achieved simultaneous growth in production output, realized profits, and turned taxes and profits over to the state. Heilongjiang, Ningxia, and Xinjiang have almost achieved simultaneous growth. Meanwhile, the amount of taxes and profits turned over to the state by Tianjin, Shanghai, and Guangdong dropped to 3.3, 1.3, and 1.2 percent respectively as compared to the same period last year.

The industrial enterprises directly under the metallurgical, electronics, light industrial, ship building, petrochemical, building materials, pharmaceutical, automobile, and tobacco departments, bureaus, and companies also achieved simultaneous growth in all the three indexes.

The proportion of state-owned industrial enterprises that suffered losses dropped from 19 percent between January and September last year to 14.8 percent in the same period this year, while the amount of losses dropped by 20.5 percent. The target for reducing deficits set by the state has not been fulfilled and, moreover, progress made by different areas in reducing deficits has been very much out of balance. For example, Tianjin Municipality, Hebei Province, Jilin Province, Zhejiang Province, Guizhou Province, and Ningxia Autonomous Region managed to reduce deficits by 50 percent, while Shanxi, Liaoning, and Shandong Provinces failed to fulfill by half the deficit reduction quota set by the state, and Nei Monggol Autonomous Region and Hunan Province managed to reduce deficits by only 1.2 and 5.8 percent respectively.

Nine industrial departments have managed to ensure that no enterprise affiliated with them suffered losses. The electronics industry, geological and mining industry, and machinery departments have reduced their deficits by over 50 percent. But the amount of deficits suffered by the coal department and the forestry department have increased by 14.7 and 29.9 percent respectively.



The following are three problems which should draw the attention of state-owned industrial enterprises in their effort to reduce deficits and raise profits:

First, there is an overstock of some unsalable products, and funds locked up in overstocked finished goods have increased. The state's total amount of funds locked up in overstocked finished goods recorded in late September was 12 percent higher than that recorded in the same period last year -- the rate of increase in locked up funds surpassed the growth rate of production output. The Provinces of Hebei, Shanxi, Zhejiang, Fujian, Shandong, Hunan, and Guangdong and the autonomous region of Ningxia have suffered an increase of over 20 percent in funds locked up in overstocked finished products. The reason there was an increase in the amount of funds locked up in overstocked finished products was mainly because there was a substantial increase in the overstock of textile, light industrial, chemical, and medicinal products. In the final analysis, this was because these products were unmarketable, were of poor quality, and were highly priced.

Second, some areas have made slow progress in reducing deficits. By late September there were still 12 provinces and autonomous regions, Guangdong, Shanxi, Liaoning, Yunnan, Sichuan, Nei Monggol, and Shandong even recorded an increase in deficits in the third quarter. This is a great drawback to the completion of the set national target for reducing deficits. Slow progress in the effort to reduce deficits can mainly be attributed to an increase in the deficit suffered by the coal mining industry in the wake of output growth, to the deficit suffered by quite a few sugar producing areas due to natural disasters and poor management, and to the increase in the number of small prefecture and county-run enterprises. Of course, the great difficulties encountered in this year's work of reducing deficits is another reason for the slow progress.

Third, those enterprises making a large profit have enjoyed a lower profit rate than ordinary enterprises. For example, Shanghai: The 140 enterprises, each of which turned over 20 million yuan in taxes and profits to the state every year, have recorded a decrease of 7.1 percent in their profit rate, in contrast to a decrease of 4.2 percent in the profit rate of ordinary enterprises. Of the 36 major coal enterprises with an annual profit or loss of 10 million yuan each, 20 enterprises have recorded an increase in losses or a decrease in profits.

## 2. The Progress Made by State-Owned Commercial Enterprises and Grain Producing Units in Reducing Deficits and Profits.

During the period from January to September this year, state-owned commercial enterprises achieved an overall increase of 3.5 percent in their net sales volume, an overall increase of 4.5 percent in their taxes and profits turned over to the state as compared with the same period last year. Seven provinces, autonomous regions, and cities including Heilongjiang, Jilin, Beijing, Shanghai, Anhui, Qinghai, and Xinjiang recorded growth in both realized profits and the taxes and profits turned over to the state, which are higher than the growth in their net sales volume. Hebei, Guangdong, and Gansu Provinces achieved an increase in all three indices -- namely the sales volume, the realized profits, and the taxes and profits turned over to the state -- but these increases were not achieved at the same time. Henan and Shaanxi Provinces achieved an increase in both their realized profits and their taxes and profits turned over to the state, as the amount of losses was reduced after they authorized their industrial departments to the second grade centers to handle the wholesale of textile products. Hubei Province experienced a decrease in all the three indices.



Shanxi and Hunan Provinces recorded a relatively drastic decrease in both the realized profits and the taxes and profits turned over to the state due, among other reasons, to big cuts in the prices of pure cotton fabric and watches.

The losses suffered by state-owned commercial enterprises increased by 7.4 percent over the same period last year. The food industry has done a good job of reducing their net losses by 22 percent compared with the same period last year. The state-owned commercial enterprises in 10 provinces, autonomous regions, and municipalities have managed to reduce losses. Of these provinces, autonomous regions, and municipalities, Heilongjiang, Shanghai, Guangdong, Qinghai, and Xinjiang have fulfilled the loss reduction quotas set by the state. Eighteen provinces and municipalities have recorded an increase in their deficits. Of these provinces and municipalities, Shanxi, Hebei, and Hunan have suffered a more than 50 percent increase in their losses.

By adopting more flexible measures regarding management, state-owned grain enterprises have improved their economic results. Their profits derived from negotiated-price business and the processing and transportation of grains, oil, and feed increased by 10 percent over the same period last year. However, the state's subsidies for low-priced grains and oil still increased due to the increase in grain procurement and the decrease in grain import in the wake of a bumper grain harvest and to the increase in both storage costs and interest rates. During the period from January to September, subsidies for low-priced grains and oil increased by 12.9 percent over the same period last year. Only eight provinces and autonomous regions including Guizhou, Hebei, Zhijiang, Yunnan, Guangxi, Ningxia, Gansu, and Fujian managed to cut their subsidies for low-priced grains and oil compared with the same period last year. All the rest recorded an increase in their expenses in this aspect.

The following are problems which should draw our attention in our state-owned commercial enterprises' attempt to reduce their deficits and raise their profits:

First, the management methods adopted by our state-owned commercial enterprises have not been flexible enough and reform has not been carried out thoroughly enough to achieve conspicuous results. There has been a big gap between different areas in the rate of profit resulting from the sale of similar types of commodities. For example, after the state financial authorities implemented the policy of grain price increases and grain allowances, Anhui Province, Hebei Province, and Shanghai Municipality not only managed to avoid losses, but increased profits by subsidizing commercial enterprises with the profits derived from industry; subsidizing the losses resulting from the sale of low-priced grains with the profits resulting from the sale of negotiated-price grains; subsidizing the losses resulting from the sale of crude grains with the profits resulting from the sale of processed grains; promoting comprehensive business; and expanding the sale of grain at negotiated prices. Many areas in our country have just begun to develop their food processing industry. With an underdeveloped fine processing industry for grains and a clumsy procurement and sales system, these areas have recorded a relatively drastic increase in losses. In some large and medium cities, vegetable production and marketing have not been well coordinated. Their management efficiency is poor because they just follow the outmoded procurement and sales procedure. As a result, these cities may suffer serious losses, for there is always an overstock of vegetables in a good harvest. For example, between January and July of this year, 29 percent of the total amount of vegetables imported to Shanghai was transported back to rural areas and was used as feed or made into fertilizer. This is the reason the losses suffered by the vegetable marketing department have increased by 44 percent. Similar cases were seen in Beijing, Shenyang, and Tianjin.

Second, the grand inspection of financial work in grain and oil enterprises, the food industry, the petroleum industry, and the chemical fertilizer industry scheduled by the state failed to be carried out in a balanced way. Presently, some areas have not yet started inspecting financial work; those areas carrying out the inspection have not yet removed all the stumbling blocks; and a small number of units have simply concentrated their attention on auditing work to be completed by their own staff, who may do their job perfunctorily. It can thus be seen that we still have not yet done away with the malpractice of waste.

Third, the composition of commodity stock is unreasonable. While some provinces and municipalities are keeping an enormous overstock of unmarketable commodities -- which means considerable interest payments -- some enterprises are still buying some unmarketable goods. Pure cotton fabric is especially unmarketable and greatly overstocked. As a result, many textile product marketing enterprises have suffered substantially increased losses.

Fourth, the amount of taxes and profits turned over to the state by commercial enterprises increased by 4.5 percent. The actual amount of taxes and profits received by the financial authorities dropped by 4.6 percent compared with the same period last year. The relatively wide gap between the former and the latter merits the attention of all departments.

### 3. Suggestions for the Work of Reducing Deficits and Raising Profits for the Period Ahead

First, adopt the decision on reform of the economic structure adopted by the 3d Plenary Session of the 12th CPC Central Committee as the guiding ideology for the leading cadres of economic departments at all levels. In carrying out various reforms, our industrial and commercial enterprises must strictly aim to enhance economic results, devote great efforts to the improvement of management efficiency, and try their best to enhance product quality and to reduce consumption and production costs. On the above basis, they should attempt to achieve a "simultaneous increase in all three indices" and thus fulfill this year's deficit reduction quota. It is necessary to prohibit all acts of arbitrarily raising prices and increasing prices in a disguised form behind the camouflage of reform, as such practices will infringe upon state and consumer interests. Our commercial enterprises should also forsake the negative practice of reducing losses by cutting sales volume regardless of market demand. It is necessary to conscientiously cater to the needs of the people's livelihood.

Second, draw up measures to implement the policy of giving full play to the initiative of large-sized enterprises and delegating decisionmaking power to small enterprises. On the one hand, we must pay attention to major enterprises suffering serious losses, such as the Jiuquan iron and steel works, the Tianjin iron works, and the Xian general bicycle plant, and urge them to reduce deficits and raise profits. On the other hand, we must also take care of those major enterprises which make an annual profit of more than 10 million yuan each. All areas are required to assign personnel to carry out investigations and studies and to take strong actions to help these enterprises enhance their economic results as soon as possible.

Third, vigorously carry out the second phase reform of substituting tax payment for profit delivery in enterprises and properly implement various forms of the economic responsibility system. All areas are required to conscientiously take up this task from the fourth quarter of this year on.

At the same time, they are required to carry out investigations and studies and improve various forms of the economic responsibility system in accordance with the special conditions of different trades, the circumstances in enterprises of varying sizes, and different production conditions. From now on it is necessary to adopt one measure after another in order to closely link the improvement of economic results with the salaries and bonuses paid to the staff members and workers of enterprises. It is necessary to strengthen ideological and political work for the staff and workers; vigorously encourage them to make proposals for rationalizing management and production, to initiate technological transformation, and to give full play to their initiative as the masters of the enterprises; and strive for conspicuous achievements in reducing deficits and raising profits this year.

DEPARTMENT-RURAL TIES HELP LIGHT INDUSTRY

HK270920 Beijing RENMIN RIBAO in Chinese 23 Nov 84 p 1

[Report by Huang Wenfu: "Sichuan Province Develops Light Industry by Forming Ties With Peasants"]

[Text] Sichuan Province light industry departments have broken the bounds of ownership by different regions and trades and have turned the practice of running light industry in an exclusive way into running it jointly in various forms, in multichannel and multilevel ways. Since the beginning of this year, these departments and the rural areas throughout the province have reached agreements on jointly running more than 70 enterprises and have built or are still building more than 20 factories. These departments have also signed more than 130 economic and technological cooperation agreements with Beijing, Shanghai, and Tianjin and a dozen provinces, cities, and coastal zones, of which some agreements are being put into effect. In mid-October, the Sichuan Light Industry Department decided to develop light industry jointly with 50 key counties within the province in order to enable the light industry output value of these counties to reach or exceed 30 million to 100 million yuan within 6 months.

Joint efforts in developing Sichuan's light industry have yielded better economic results. The total output value of Sichuan's light industry and total sales volume and profits from January to October have increased by an average of more than 14 percent over the corresponding period of 1983. The number of enterprises running at a loss has decreased and the level of deficits has been reduced by more than 40 percent.

The light industry jointly run by the Sichuan Light Industry Department and the rural areas varies in form, such as: jointly running raw material bases for light industry, jointly raising funds for running enterprises, jointly running rough machining, and jointly manufacturing light industrial products including packaging. So far, they have set up a dozen raw material bases, including those for oranges, sugar-cane, mushrooms, milk, milch goats, wheat, papermaking, and so on. Luzhou City dairy plant made joint efforts with Luxian County forest farms, production brigades, and specialized households to develop milch cows. In a short period of only a few years, they increased the number of milch cows to 700 head, of which 400 produced milk. The output of fresh milk increased at an average rate of 15 percent per year, which ensured the supply of raw materials for the dairy plant. Chongqing sugar refinery raised funds with specialized households and recruited idle people in society who knew brewing techniques to run a winery and to improve the quality of wine. The sugar refinery also advanced funds to set up shops in some townships and attained better economic results by organizing specialized households in transporting and selling the goods on a commission basis.

Some scientific research units under the light industry departments gave full play to their superiority, made joint efforts with county- and township-run enterprises, and used their scientific research achievements to develop new products.



By providing technology, the Sichuan food research institute jointly ran enterprises with Wenjiang, Tongjiang, Chongqing, Xindu, and other counties. The Wenjiang food and beverage factory made concerted efforts with the provincial food research institute to expand the enterprise. The project began in January and was completed in May. Now the enterprise has made full use of the abundant honey resources in the locality to produce honey champagne, honey wine, honey gewasi [2706 3907 2448], and other new products, which have good sales.

The light industry departments in Sichuan have also actively developed economic and technological cooperation with the coastal provinces and cities. The enterprises of these provinces provide blueprints, technology, equipment, and formulae, while Sichuan light industry departments provide agricultural and sideline products and other raw materials. The profits are shared between both parties. The Nanchong bicycle plant was originally a gear plant, which lacked technology in manufacturing bicycles. The plant carried out cooperation with Tianjin bicycle plant from 1981 and improved the quality of its "Feichuan" brand bicycles. The Sichuan light industry system has also carried out cooperation with the war industry, the machine-building industry, and other industries and has achieved fruitful results in making use of the advanced technology and equipment of the war industrial enterprises to develop light industrial products.

#### Commentator's Article

HK270922 Beijing RENMIN RIBAO in Chinese 23 Nov 84 p 1

[Commentator's article: "Combining Efforts With Peasants To Develop Light Industry"]

[Text] A leading comrade of the central authorities recently pointed out: "The horizontal economic connections between various localities have developed from bits and pieces to a nationwide activity. This is a significant, newly emerging thing." The light industry departments in Sichuan have achieved substantial results in jointly running enterprises with peasants from within and outside the province in recent years. Their experience can be used for reference by all localities.

First, the raw materials for light industry come mainly from the rural areas. By making joint efforts with the peasants, light industry can have a reliable raw materials base. Second, the enterprises jointly run with peasants, and the funds raised through various channels, including funds collected by selling shares or recruiting investors, have opened new sources of funds for developing light industry. Third, apart from buying shares, the peasants may also contribute materials and labor by contracting building projects, engaging in transportation and procurement businesses, and so on, which can save construction funds and enable the joint enterprises to go into operation and achieve results as quickly as possible.

Because China has a vast territory, the natural conditions, economy and culture, science and technology, communications, and transportation conditions of various localities differ from each other even within a province. Under such circumstances, it would be extremely difficult for the light industry departments to run factories in an exclusive way. In order to vigorously develop light industry, it is necessary to arouse the initiative of the peasants in all localities, to take measures in line with local conditions, to make up one another's deficiencies by learning from others' strong points, to practice various forms through multiple channels and levels, and to run more collective enterprises and fewer state enterprises. In the townships where raw materials are scattered and where transportation facilities are poor, it is necessary to give a free hand to the peasants in developing light industry and in producing and marketing products right there in the locality.



By running medium-sized and small light industry enterprises everywhere, we can, to a certain extent, solve the peasants' difficulties in selling their farm products, as well as rationally utilizing part of the rural surplus labor. Consequently, peasants can become workers without entering the cities, thus increasing their income, raising rural purchasing power, and promoting the readjustment of the agricultural structure.

Joint enterprises are the outcome of urban and rural integration. Cities and towns are centers for urban and rural economic connections. Leading organs concerned should strengthen management over joint enterprises, set up information networks extending in all directions, push forward the development of commodity production, and attain better social results.

It is a newly emerging thing to take the horizontal path and to develop light industry jointly with rural areas within and outside the province. It is therefore necessary to proceed from practice, to suit measures to local conditions, and not to rush headlong into mass action and manufacture identical products. The joint enterprises themselves should constantly improve operation and management, apply new technology, improve product quality, and stress economic results. They should not try to mix the spurious with the genuine, engage in speculation, or encroach upon the interests of the customers.

#### LU DINGYI ON CAPITALIST MANAGEMENT METHODS

HK231238 Beijing GUANGMING RIBAO in Chinese 15 Nov 84, p 1

[Remarks by Lu Dingyi as compiled by reporters Tao Kai and Zhao Shibao: "Should We Learn From Capitalist Methods of Business Management and How?"]

[Text] In the "Decision of the CPC Central Committee on Reform of the Economic Structure" there is a passage that reads like this: "To bring about a radical change in an economic structure that is hindering the development of productive forces, we must conscientiously sum up China's historical experience and study the concrete conditions and requirements for economic growth. In addition, we must draw on the world's advanced methods of business management, including those of developed countries, that conform to the laws of modern, socialized production."

Beginning from "in addition," there are several phrases which are rather difficult to understand.

First, we should understand what "socialized production" is. It was not until the advent of capitalist society that "socialized production" came into being, under which all types of craftsmen were concentrated in a factory and many machines were operated by one worker. Different from the individual production carried out by manual workers and handicraft industrial production, "socialized production" represents a step forward.

In capitalist society, there exists a contradiction between the socialization of production and the private ownership of production means and this contradiction constitutes the basic contradiction of capitalist society, from which emerge capitalist economic crises, class struggle, and wars of aggression. The ultimate outcome of this basic contradiction is the inevitable replacement of the capitalist system by the socialist system. By opposing capitalism, we mean opposing its private ownership system and not opposing the socialization of production. What we are practicing is the socialist system of public ownership of production means, under which we should also carry out the socialization of production. We must study and draw on all advanced methods of business management that reflect the laws governing socialized production. We have made revolution for years with a bitter hatred for the capitalist system of exploitation.

However, if we think we should also oppose socialized production in the capitalist society, we would be wrong. During the "Great Cultural Revolution," the practice of completely negating everything and even opposing production and the management of production as "capitalist ways" and arguments such as "we would rather have socialist grass than capitalist seedlings" and "we would prefer socialist unpunctuality to capitalist punctuality" were all absolutely ridiculous. Since we are economically backward, we must study socialized production and the advanced methods of managing socialized production. Only in this way can we manage to catch up.

What things under capitalism have we actually studied or not studied? We should make an analysis of them. Let me cite some examples to illustrate this. In the late twenties, there was a controversy over the "Taylor system" in the Soviet Union. Some people said the Taylor system was a vicious means by which the capitalists exploited the workers and therefore, it could not be studied. While appraising the system in an overall manner, Lenin said: It "is a combination of the refined brutality of bourgeois exploitation and a number of the greatest scientific achievements." ("Selected Works of Lenin," Vol 3, p 511) Subsequently, the CPSU Central Committee held that, because in socialist society the capitalist system of exploitation had been abolished, we could raise productivity with scientific methods of management. Therefore, it would only do us good and not harm to do so. In the 1960's, some capitalist countries advanced the idea of "high production and high consumption." Should we act upon it? We should make a concrete analysis in light of our national conditions. Although we have not yet achieved high production at present, we must study it and try our best to raise our productivity. We must raise our consumption level with our developing production, for this can promote production. The purpose of capitalist countries advancing the idea of an information society is to help prevent the capitalists from going bankrupt. Nevertheless, this is a scientific achievement that we should try hard to study, because our information is underdeveloped and far from responsive. Without easy access to information, the realization of the four modernizations will be out of the question. In the Japanese enterprise management system, there is a rule allowing the capitalists and factory managers to "distribute money wrapped in red paper" secretly among their workers. This method is, as I see it, entirely applicable to us. Our enterprises are not privately owned so it is not necessary to keep staff and worker wages and bonuses secret. However, the factory managers of our enterprises must have the power to decide on the distribution of bonuses and give ample rewards to the staff and workers who have made contributions. This will help encourage the advanced and push those who lag behind.

While restructuring the economy, we must both learn something useful from others and retain and develop our own good practices. This is the correct attitude. At present, the capitalists are studying some of our useful practices. For example, some capitalists show concern, even meticulously for the marriage and funeral arrangements and the childbirth, old age and illness. Naturally, this does change the nature of the capitalist system just as our effort to study advanced methods of business management does not change the nature of socialism.

It is almost hardly possible, if not impossible, for a state that has experienced a socialist revolution to restore the capitalist system. This has been proven by history. During the decade-long "Great Cultural Revolution," not a single "capitalist roadster" was ever found. There are cases where factory owners turned socialist. Robert Owen, a British utopian socialist, was one of them. Engels was a communist. This is already known to all. They were, of course, only isolated cases.

RENMIN RIBAO ON COMMODITY PRODUCTION, MARKETS

HK280348 Beijing RENMIN RIBAO in Chinese 23 Nov 84 p 5

[Article by Liu Enzhao: "Socialized Commodity Production and Markets"]

[Text] The enlarging market is necessary for the development of socialized commodity production. Market here refers to the market in the social production process and includes both the planned market and the free market, which is supplementary to and interactive with the planned market. In short, the market is a place where products can come into play.

In the past, people often said commerce is a bridge that links production with consumption. This proposition is not wrong, but is simplistic and apt to cause misunderstanding. According to this proposition, it seems production and consumption are two completely different and separate processes, while commerce acts as a medium between them. In a certain sense, this only reflects some characteristics of commodity production in a self-sufficient economy. When commodity production is socialized, the production and consumption processes are closely interwoven with each other. The consumption of production materials and livelihood materials forms the consumption process in production, or, in fact, forms the process of reproduction. Here, the circulation process that enables commodities (production and livelihood materials) to come into their own is never merely a bridge or medium between production and consumption; rather, it is an indispensable stage in the social production process or a link between social production and reproduction. For this reason, Marx emphasized: "In this sense, circulation has shown itself to be an element of production." ("Complete Works of Marx and Engels," Vol 46, pp 390-391) If this link is not functioning correctly, not only will the livelihood of some people be affected, but the social production process as a whole will also be disrupted or broken.

In the production and realization of value, the importance of markets for socialized commodity production is even more prominent. Here, the production process includes the following three processes; transferring the value of production materials, creating new value, and adding new value to existing value. The value of production materials consumed in production will be transferred to the value of new products, which also includes the newly added value created in the course of production. A part of the new value is used to cover the wage payment in production, and the remaining part is the profit gained by the producer. In the process of production, whether the value of production materials can be reasonably transferred to the value of new products and whether the newly added value can be completely realized so as to ensure both wage payment and profit not only depend on various factors in production and circulation, but are also determined by market conditions.

The issue of markets is not merely an issue in the circulation field. At present, the issue of markets has become rather acute in our rural economy. To a certain degree, the problem is reflected in the fact that the production process fails to stay in line with the circulation process. Different from self-sufficient production which turns out products to meet the needs of producers themselves, socialized commodity production provides goods to satisfy the needs of the entire society. Whether the products can enter markets and hold a position in the markets is the key to production. At present, surplus grain ready for sale exists in all parts of the country, due to bumper harvests year after year. It is naturally a good thing for us to develop the grain processing industry under this condition.



However, in so doing, some localities found that while they have large quantities of surplus grain, not much of it is suited for intensive processing. For example, there are shortages of sorghum -- which can be used to make spirits -- and barley, used to brew beer. Even paddy and wheat that can be processed into rice and flour of a high quality are in short supply. In 1983, the national output of paddy was more than 330 billion jin, but only 700 to 800 million jin was of high quality paddy. Although in recent years it is generally said that "selling grain is difficult," high quality rice is still in short supply. Once grain, which is comparatively less diverse in quality and kind, is turned into a commodity, the issue of marketability becomes acute. The importance of the marketability of other products which are more varied in kind and specifications is far more self-evident. For commodity producers, to ensure the marketability of their products is an important move to further open up the markets.

Related to the marketability of goods, high quality and low price also represent an important way to expand markets. Because there is a contradiction between high quality and low price, it is not easy to really effect this. However, ingenious commodity producers often achieve both goals by cutting down the profit margin to increase sales and by continuous innovations. "Increasing sales" may make up for the "pared profit margin," and the development of new products, new technologies, and new materials may ensure the comparatively high quality and low price of goods.

When trying to ensure the marketability of products and their high quality and low price, commodity producers must have an enterprising spirit, organize production in a scientific way, raise the level of management, continuously utilize innovative technology, and pay attention to market information so as to increase the adaptability and competitiveness of their products in the aspects of specifications, costs, and quality. Only thus can they effectively occupy and expand the markets.

#### POLICY OF PROMOTING INTELLECTUALS EXAMINED

HK271600 Beijing GUANGMING RIBAO in Chinese 20 Nov 84 p 1

[Commentator's article: "Open the Door of the Party to Outstanding Intellectuals"]

[Text] In some places, where outstanding intellectuals have applied for party membership but have been kept out of the party for a long time, we often hear these complaints: "No matter what the higher authorities say, the grassroots organization keeps stalling the decision of the applications. Sometimes, after the party branch approves the applications, the higher party committee casts them aside and stalls the approval." In order to smooth the process of admitting outstanding intellectuals into the party, the key is to help grassroots party committees or branches enhance their understanding of this work in order to open the party's door to the vast number of intellectuals who are qualified for party membership.

The important historical mission of our party in the new period is to build a modern socialist country with Chinese characteristics and with a high degree of civilization and democracy. By recruiting new party members from among outstanding intellectuals, the party can have tens of thousands of talented people who have a good command of all branches of learning in natural and social sciences and thus can build itself into a firm core in leading the socialist modernization cause. This is of great significance. At present, the average educational level of our party members is far from meeting the requirements defined by the general task in the new period. Now only 17.8 percent of party members throughout the country have a senior secondary education or above. We must embark on changing this state of affairs.



How should we help grassroots party committees and branches recruit party members from among outstanding intellectuals? First and most importantly, grassroots party committees and branches should be required to show respect for knowledge and people of learning, to better understand by the party's policy toward intellectuals, and to overcome various erroneous and confused ideas on the issue of admitting intellectuals into the party. According to the fact reported by various localities, many responsible people of grassroots party organizations still refuse to recognize or do not understand that "intellectuals constitute part of the working class" — a basic principle of Marxism. Because they have long been influenced by the "leftist" idea of "taking class struggle as the key link," they are worried that "admitting too many intellectuals into the party might turn the party flag from 'sickle and hammer' to 'glasses and pen'" and that admitting intellectuals into the party will "disrupt our class alignment." We should help these comrades realize that most intellectuals of the older generation are patriotic people who have been tempered in prolonged storms, and more than 90 percent of young and middle-aged intellectuals were born in the new society and have grown up under the red flag. Whether intellectuals of the older generation or young or middle-aged intellectuals, they are only different from workers and peasants in the way they work (and this difference will eventually perish). There is no difference between intellectuals and other working people in the purpose of their work or the sources of their incomes. Since this is so, what is wrong with our organizational line if we admit more intellectuals into the party? When assessing intellectual applicants for party membership, some grassroots party organizations tend to continue the "leftist" practices of checking the applicants' family backgrounds and even their remote relatives rather than following the provisions of the party constitution. Some comrades want to find faults with the personality, habits, or work style of the applicants and their nitpicking is endless. Many enthusiastic applications made by intellectuals have been shelved and turned down under the pretext of "further tests." We must do away with these "leftist" practices and should adopt a historical-materialist viewpoint to correctly handle intellectuals' applications for party membership.

In order to smooth the process of admitting more outstanding intellectuals into the party, organization departments of party committees at all levels should not rest content with holding some meetings and issuing some documents to give out some general calls; instead, they should strengthen concrete guidance to and inspection of the work of grassroots party organizations one after another and deal with typical cases. They should see which unit fails to correctly handle intellectuals' applications for party membership and whether some outstanding intellectuals in this unit have not applied for party membership. They should learn the reasons for such problems and work out concrete measures to solve them in order to promote the work of recruiting new party members from among intellectuals. At the same time, it is necessary to commend and support grassroots party leaders who respect people of talent and take the initiative in promoting the admission of intellectuals into the party. The small number of leaders who have prejudices against talented people for fear that the admission of intellectuals into the party will threaten their leading positions and who even go as far as to deliberately make things difficult for intellectuals and do them injustices must be seriously criticized and punished if they refuse to mend their ways in spite of admonitions. It is our ardent hope that comrades who handle party work at the grassroots level will thoroughly eliminate the influence of "leftist" ideology and actively create conditions for admitting more outstanding intellectuals who are qualified for party membership into the party. If they come to realize the necessity of this and begin to do so, they will make an important contribution to our modernization cause.

YU GUANGYUAN ON PLANNING SYSTEM REFORM

HK230741 Beijing RENMIN RIBAO in Chinese 16 Nov 84 p 5

[Article by Yu Guangyuan: "The Theoretical Basis for the Reform of the Planning System"  
— The following is the full text of the item which was published on pages K 9 and K 10 of  
the 26 November DAILY REPORT]

[Text] In the "Decision of the CPC Central Committee on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee, the planning system occupies a particularly important position. With regard to the reform of the planning system, the fundamental requirement of the "decision" is to establish in China "a planning system under which the law of value is consciously applied in developing a socialist commodity economy." With respect to the reform of the planning system, the "decision" continues to affirm that our socialist country practices a planned economy on the basis of public ownership of production means, and is not a market economy entirely subject to market regulation; and at the same time, the "decision" further points out that our socialist planning system should be one that combines uniformity and flexibility. On the whole, our national economic plans can only be rough and flexible. It is also necessary to exercise effective control, through striking an overall balance and through regulation by economic means, over major issues, while allowing flexibility on minor ones. Mandatory planning will be applied to major products which have a direct bearing on the national economy and the people's livelihood, and which have to be allocated and distributed by the state, as well as major economic activities that affect the overall situation. Other products and economic activities which are far more numerous should either come under guidance planning or be left entirely to the operation of the market. With regard to the mode of planning, it is necessary, step by step and to an appropriate extent, to reduce the scope of mandatory planning and extend guidance planning. This planning system, which is to be implemented in accordance with the decision of the 3d Plenary Session of the 12th CPC Central Committee, has a scientific socialist planning theory as its basis.

The basis for conducting such a reform of the planning system is that a fresh understanding is gained regarding the theory of the socialist planned economy and that greater attention is paid to close association with the realities of our country. The combination of these two aspects means that on the question of the planning system, it is also necessary to follow a socialist path with Chinese characteristics under the guidance of the universal truth of Marxism.

With regard to the theoretical basis for reforming the planning system, I think that the following points are of greater importance.

1. There is a misconception that the greater the scope a plan comprises, the higher the degree of planning it has. This is not true in practice.

We know that the economic life of modern society is very complex. Just take direct production for example. In modern society, direct production is a very vast system with a very complex internal mechanism. The number of products turned out is innumerable. At the same time, there are also various kinds of labor services production. In addition, there are also complex relations among various kinds of products produced with different materials. If the processes of distribution, exchange, and consumption are taken into consideration, society's entire economic life is a far more complex system. Furthermore, in various links in connection with production, exchange, distribution, and consumption, living human beings are playing their role everywhere. The influence of their interests, will, and behavior on the whole of economic life cannot be ignored. Therefore, it is not very appropriate to compare the whole socialist economy to a large machine.

If a comparison has to be made, this machine must be endowed with a special attribute, that is, it is not composed of parts and elements in a rigid formation, but in a supple formation, or in an "elastic" formation, as termed by the "Decision." Therefore, even in a socialist country with only one percent of our population, it would still be impossible to work out a complete and integrated plan and to implement such a plan. This appears to be a universal principle applicable to all socialist countries. As for China, which is a country with a vast territory, a large population, poor transportation conditions, inadequate information facilities, and uneven economic and cultural development in its various regions, it is more obvious that it is impossible for a center to work out such a complete and integrated plan.

It is not difficult to understand that if the scope of a plan is expanded excessively, it will lead to a "discrepancy between the subjective guidelines for planning and objective conditions" as described by the document, and society's economic life will not be able to develop in a coordinated way. It is also not difficult to understand that the power of planning is, after all, very limited. If flexibility is not allowed on minor issues, there will be insufficient strength to exercise effective control over major ones. On the contrary, the extent of planning will be lessened.

2. There is also a viewpoint that a high level of planning should be embodied in the full implementation of the plan without any flexibility. In fact, this is not true. In effect, this view regards planning as something fixed and somewhat ossified.

All of us maintain that the formulation and implementation of plans should be in conformity with reality. If this principle of materialism, "to do things in conformity with reality," is to be carried out throughout, it must be acknowledged that flexibility should be incorporated into planning. That is to say, plans should be modified in accordance with the changes of the objective reality, or, under the conditions that the objective reality has already changed, people should be allowed to do things not in line with the original plans but in line with the objective reality. When touching upon the reform of planning methods, the "decision" emphasizes that attention should be paid to economic information and forecasting, that is, the principle of proceeding from reality should be adhered to, and close attention should be paid to the ever-changing objective reality so plans can be worked out with a high degree of flexibility.

Here we would like to give another example. All of us know technological inventions are of great importance to the development of the society and the planned economy, but it is hard to predict with certainty that a certain technological invention will be successful in a predetermined period (for example, a technological invention such as the outstanding economic results obtained by the success in the gasification and liquefaction of coal). Therefore, we cannot work out our plans on the basis of technological inventions that are not yet successful. However, we must pay close attention to the development of the process, so that once the invention becomes successful, we can adopt this technology outside the original plan or revise the original plan. The utilization of foreign capital can serve as another example for expounding the idea that flexibility should be practiced and opportunity should be grasped in implementing the planned economy. It is very difficult for us to predict beforehand that a certain favorable opportunity of utilizing foreign capital will surely come at a certain time and therefore include it in our plan; on the other hand, we should not refuse to make use of the foreign capital when such an opportunity arises, just because it is not a part of our plan.

Here we may talk about the question of adaptability. Fixed and ossified plans cannot be adapted to the changing objective reality.



We must admit that in a field related to the development of a socialist country's planned economy, certain things are beyond our control. For example, an economic crisis may happen in the capitalist world; the prices of certain commodities may fluctuate on the international market; certain serious natural calamities may occur in our country; and so on and so forth. All these are beyond our control. However, we can still study them and make our "future forecasts outside the sphere of planning." Under these circumstances, a high level of planning manifests itself in making scientific forecasts in advance, adopting timely actions afterward, and being good at adapting actions for things that occur and are beyond our control. In the past, although we often did things in this way, we seldom laid emphasis on adaptability when dealing with planning. Now that the "decision" explicitly stresses the importance of establishing a planning system which combines uniformity with flexibility, we should realize that adaptability is precisely an important content of flexibility.

3. What is the correct view of the mutual relations between a socialist planned economy and a commodity economy in accordance with the fundamental stand, viewpoint, and method of Marxism -- this question is the most important theoretical basis for the reform of our planning system. There is a viewpoint which maintains that the planned economy and commodity economy are contradictory and mutually exclusive. The "decision" discards this concept, and points out that a socialist planned economy and a socialist commodity economy are not two different things, but are an integrated whole, and it makes it clear that a socialist planned economy is also a planned commodity economy. Our planned economy is a one which "consciously follows and applies the law of value" and our commodity economy is "a planned commodity economy based on public ownership." In understanding the theoretical basis for our country's planning system, this breakthrough on the part of socialism of political economics is of the utmost importance.

For a long time, Marxist economists held that commodity production did not exist in the socialist system. After the practice of socialist construction and the research and discussions of scholars on this question for more than 30 years after the October Revolution, the scientific conclusion that "commodity production does exist under the socialist system" was arrived at in the 1950's, and it was written in Stalin's book "The Socialist Economic Problems in the USSR." The existence of commodity production means the existence of a commodity exchange as well as a commodity economy. The three terms mean the same thing, because commodities are products for exchange, and commodity production and exchange amounts to the existence of commodity economy. In the 30 years after Stalin's death, discussions continued regarding the question of socialist commodity production. Progress in this regard is mainly exhibited in the following aspects:

1) The scope of commodity production under the socialist system; 2) the trend of development of commodity production under the socialist system; 3) the future of commodity production under the socialist system; 4) the attitude that should be adopted by Marxists toward commodity production under the socialist system; and 5) others. The result of long-term discussions on these problems (at least in our country) is: The scope of commodity production becomes broader and broader; commodity production is in the development process at the present state in socialist countries, including those which are relatively developed; the lifespan of commodity production appears to be much longer than people originally envisaged; and the attitude adopted by Marxists toward commodity production should not be one that restrains its development but should be one that encourages its development. Now we can see clearly that socialist commodity production, just like distribution according to work, is one of the basic characteristics of the socialist economy.

When working out plans, it is essential that we take into consideration this objective reality of commodity production, follow the law of value, take the role of the law of value into consideration, and consciously apply the law of value. It is written in the "decision" that "in the reform of the planning system, it is necessary, first of all, to discard the traditional idea of pitting the planned economy against the commodity economy. We should clearly understand that the socialist planned economy is a planned commodity economy based on public ownership, in which the law of value must be consciously followed and applied." This breakthrough in the theoretical question of planned economy and commodity economy can enable our reform of the planning system to make a big stride forward. It is necessary for the socialist commodity economy to be developed even faster in our country. Our planning system and planning work should not restrain the development of the commodity economy, but should actively promote better development of the commodity economy so that our planning system and planning work can be in line with the objective requirement in developing the socialist commodity economy. Obviously, to replace the theoretical view of pitting the planned economy against the commodity economy with the explicit theoretical view of the "decision," in order to realize the reform of our planning system and do our planning work well, is sure to lead to a faster and better development of the socialist economy of our country.

#### GU MING ON LAW ON PLANT MANAGER RESPONSIBILITY

OW251211 Beijing Domestic Service in Mandarin 1200 GMT 22 Nov 84

[Text] Gu Ming, deputy secretary general of the State Council, said the time is basically ripe to fix, through state legislation, the system of factory managers assuming full responsibility, according to a report by this station's correspondent, (Zeng Yue). Gu Ming made the statement at a national forum on experimenting in the system of making factory directors assume full responsibility. The forum ended today.

Participants at the forum, which was held in Changzhou City, Jiangsu, exchanged experiences in carrying out experiments in the above-mentioned system at various localities and discussed the draft state industrial enterprise law.

Gu Ming pointed out that the experiments conducted at nearly 3,000 selected enterprises, which aimed to put the system of factor managers assuming full responsibility into force over the past 10 months, indicate that conditions for enacting a state industrial enterprise law are basically ripe and that legislation to this effect should be completed as soon as possible.

Gu Ming said: After the system of factory managers assuming full responsibility is put into force, the role of party leadership will be supervisory, to make sure that enterprises fulfill the party's line, principles, and policies. To achieve this, it is necessary to unite the enterprise's party committee, administrative branch, and trade union; and to mobilize all forces to fulfill the production task assigned to the enterprise by the state.

#### POSTS, TELECOMMUNICATIONS MINISTRY RESHUFFLED

OW261129 Beijing XINHUA Domestic Service in Chinese 0205 GMT 25 Nov 84

[Text] Beijing, 25 Nov (XINHUA) -- In keeping with the structural reform and development of the national economy, and with the central authorities' approval, the Ministry of Posts and Telecommunications recently set up a ministry-level leading body, whose members are younger in average age and higher in educational level and know their jobs well.

The readjusted Ministry of Posts and Telecommunications has one minister and three vice ministers, with an average age of 51.7, more than 10 years less than that before the readjustment. Two of them are in their 50's and the other two in their 40's. All four comrades have had a college education. Two of them are senior engineers, and the other two are engineers. They know their profession and are good at management. They have been in leadership positions in academies, institutes, departments, and bureaus and are experienced in grassroots work. Equipped with organizational and leadership abilities, they have performed fairly well in their previous positions. The readjusted leading body of the ministry meets the four requirements for cadres -- namely being younger in age, more revolutionary, better-educated, and professionally more competent. It will remain stable for a long period, which will be very favorable for creating a new situation in posts and telecommunications services.

NIE RONGZHEN WRITES PREFACE FOR YANG DEZHI MEMOIRS

OW252338 Beijing Domestic Service in Mandarin 0900 GMT 24 Nov 84

[Text] The memoirs of Yang Dezhi, chief of General Staff of the People's Liberation Army, will be published by the Liberation Army Literature and Art Publishing House soon.

The memoirs, with a total wordage of some 280,000, are entitled: (?On Horseback With Sword Drawn). The book, written in simple language, cherishes the memory of thousands of revolutionary martyrs and recalls many touching anecdotes of the arduous war years. Nie Rongzhen, vice chairman of the Central Military Commission, Quoting verses from a famous poem (?Journey on Horseback) by ancient Chinese national hero Qi Jiguang, wrote a preface and inscribed the title for the book.

PLA JOURNAL TO PUBLISH WRITINGS BY DENG, OTHERS

OW210626 Beijing XINHUA Domestic Service in Chinese 1142 GMT 20 Nov 84

[Text] Beijing, 20 Nov (XINHUA) -- With the approval of the Central Military Commission, JUNSHI ZILIAO [MILITARY HISTORICAL DATA] will begin publication soon by the Commission for Collecting Party Historical Data.

The first issue of JUNSHI ZILIAO will publish an inscription written by Comrade Deng Xiaoping in March 1963 for the sequel to Guangxi Revolutionary Memoirs. The inscription is: "Educate the coming generations with revolutionary deeds, and always be a revolutionary, a socialist serving the people's collective undertakings, and a communist, just as the older generation and the revolutionary martyrs were." Because of the effects of political movements, the sequel to Guangxi Revolutionary Memoirs was not published, nor was Comrade Deng Xiaoping's inscription.

The first issue will also publish other precious historical documents, including letters written by Comrade Ye Jianying on 22 January 1946 and by Comrade Liu Bocheng on 21 July 1949.

Xu Xiangqian and Nie Rongzhen, vice chairmen of the Central Military Commission, either inscribed for or wrote a letter to JUNSHI ZILIAO. Yang Shangkun, also a vice chairman of the Central Military Commission, inscribed the name for the journal. Yu Qiuli, Yang Dezhi, Zhang Aiping and Hong Qezhi also inscribed for the journal. Xu Xiangqian's inscription is: "Seek truth, and collect and record comprehensively."

In his letter to the PLA's Commission for Collecting Party Historical Data, Nie Rongzhen pointed out: "In writing memoirs, one should seek truth from facts and sum up experience. Our Army's veteran fighters, tempered by fighting, have a glorious and revolutionary past and rich experience in struggle."



"To truthfully record their deeds in memoirs is of great significance for educating ourselves and the coming generations and for promoting our Army's revolutionization and modernization. The publication of JUNSHI ZILIAO will provide the opportunity for publishing the memoirs. I wish JUNSHI ZILIAO success."

JUNSHI ZILIAO is a PLA historical journal. Its fundamental tasks are to reflect the PLA's arduous and brilliant course of struggle under the party leadership, sum up the historical experience of the building of the PLA and China's revolutionary war, and establish accurate military historical data. It will stress publishing memoirs on military history, battle history, and precious revolutionary historical documents; report on special research projects; and serve the Army's old comrades, commanders, fighters, and party and Army history instructors and researchers in their study and research into the history of our party and Army's revolutionary struggles.

#### STATE ACCEPTS NEW SATELLITE LAUNCHING BASE

HK270149 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 26 Nov 84

[Text] According to SICHUAN RIBAO, the National Defense Science, Technology, and Industry Commission recently held a meeting at a certain satellite launching base to accept the base on its completion. The commission had high praise for the victorious completion of the project and its guarantee of China's successful experiment in synchronous communications satellite launching.

The completion of this project will make a tremendous contribution to further developing and promoting China's space effort. It will have a farreaching effect on developing the national economy and improving people's material and cultural living standards.

In the first half of this year, China carried out a successful experimental synchronous communications satellite launching, showing that the country's space effort has joined the advanced world ranks. This success also proved that the quality of this base project is excellent, and that it can meet and satisfy the needs of a modern space effort.

Participating in the acceptance meeting were responsible comrades concerned of the State Planning Commission, the State Bureau for Complete Sets of Equipment [guojia chengtao shebei ju], and the National Defense Science, Technology, and Industry Commission. Also present were responsible comrades of the provincial and military region leading organs and of the base, together with specially invited representatives, and representatives of the party, government, and Army in the locality.

The state-authorized National Defense Science, Technology, and Industry Commission's leadership group for accepting the project accepted the project and decided to turn it over to the state for its use.

#### COMMENTARY ON SECOND ROUND OFFSHORE OIL BIDDING

HK220710 Beijing ZHONGGUO XINWEN SHE in Chinese 1211 GMT 21 Nov 84

[Commentary by reporter Zhou Jisheng: "Three Characteristics of China's Second Invitation of Bids for Offshore Oil Drilling"]

[Text] Beijing, 21 Nov (ZHONGGUO XINWEN SHE) -- The second round of bidding for China's offshore oil drilling has begun. Compared with the first one, this round has some conspicuously new features.

First, although the second round still covers the areas of South China Sea, South Yellow Sea, and Pearl River mouth basin, areas of the South China Sea and the Yingge Sea not covered in the first round are also included.

These areas have already been prospected by the U.S. Atlantic Richfield Company (ARCO), which has provided data on the drilling as well as a successful example of the ARCO contracted area. It is said that these areas will be divided into four blocks for bidding, which will especially attract foreign companies.

Second, this round will be carried out without any restrictions. The first round was carried out only among the 48 foreign petroleum firms which participated in the agreement on physical prospecting. This round of bidding has clearly defined that all foreign firms may offer bids prior to the deadline of the notification. As a matter of fact, this stipulation has lifted the restrictions on participation in the physical prospecting agreement as well as on nationality. The China National Offshore Oil Corporation will treat all bidders on an equal basis and select the most competitive ones.

Third, on the basis of the provisions established in the first round contracts, this round will adopt more flexible measures in implementing certain provisions in order to provide more benefits to foreign firms.

With the experience of the first round and the stress on practicality and efficiency in the second round, those concerned anticipate that achievements with which both China and foreign firms are satisfied will be attained.

#### CAAC MEETS TRANSPORTATION QUOTAS AHEAD OF SCHEDULE

OW272018 Beijing XINHUA in English 1504 GMT 27 Nov 84

[Text] Beijing, November 27 (XINHUA) -- The Civil Aviation Administration of China (CAAC) had met its annual transport quotas two months ahead of schedule, Shen Tu, CAAC director general, announced today. It carried 4.5 million passengers and 120,000 tons of cargo and mail and annual profits will far exceed last year's figure 220 million yuan.

By the end of the year, Shen said, passengers will reach 5.5 million and cargo and mail 150,000 tons. By November 20, CAAC's cargo and mail load had reached 800.7 million ton/kilometers, meeting the target set for the Sixth Five-Year Plan (1981-85) one year ahead of time. This will rise to 900 million ton/kilometers by the year's end, more than double the amount for 1980.

Shen attributed the increases to China's fast-growing economy, booming tourism and the opening up of 14 coastal cities to foreign investment. CAAC's domestic and international flights rose from 641 a week in 1983 to 671 this year. An additional 6,140 flights have been operated since May 15 this year. There were also 1,364 charter flights.

Flights between China and Japan rose to 16 per week, carrying 233,300 passengers by the end of October -- 33.3 percent more than the same period in 1983. Boeing 747 weekly flights on the China-U.S. route also rose from three to four, carrying 57,100 people during the ten-month period -- up 7.1 percent. A total of 24,200 passengers flew CAAC routes to France, a rise of 26 percent. More than 466,000 people flew from Beijing, Shanghai and Guangzhou to Hong Kong -- 27.5 percent more than the same period in 1983.

Direct air services between China and Australia began last September.

In 1984 CAAC opened 13 new domestic routes linking cities including Yantai, Ningbo and Shijiazhuang, bringing its domestic total to 176, Shen said.

The airline now operates 23 international routes, and plans to open several more domestic and international routes this year, he said, adding that there will be more flights to major Chinese cities including Beijing, Shanghai, Guangzhou, Kunming and Dalian.

CAAC is trying to improve its services, Shen said. Some workers have been criticized or fined for rudeness towards passengers, he added, while those who have won approval have been rewarded. Five more ticket offices will be set up in Beijing, and the advance reservation period for domestic air tickets will be lengthened to 10 days.

Airport workers have been asked to provide more detailed information to passengers about delayed flights, and improved arrangements will be made for their food and accommodations in case of cancellations, Shen said.

RENMIN RIBAO REPORTS ON CHINESE STUDYING ABROAD

OW230933 Beijing XINHUA in English 0845 GMT 23 Nov 84

[Text] Beijing, November 23 (XINHUA) -- Over 33,000 Chinese students have studied abroad since 1978, including current students, 26,000 government funded and over 7,000 self supporting, according to today's PEOPLE'S DAILY. By now, 14,000 have returned after completing their studies.

The total for the six years doubles that for the 28 years from 1950 to 1977. Before the "Cultural Revolution", only ten percent of those studying abroad were in advanced studies. The percentage has risen to 78. The government selects experienced young and middle-aged technical personnel and administrators for advanced studies as being quick to grasp and apply knowledge.

Government departments and the regions also finance their own students. China is also helped by the U.N., the World Bank, universities abroad and friendship organizations.



FUJIAN GOVERNOR ON ECONOMIC RESTRUCTURING

OW261025 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 24 Nov 84

[Text] The Fujian Provincial People's Government held its third staff meeting on 23 November. Governor Hu Ping talked about economic restructuring and the arrangements for the tasks to be carried out during the current winter-spring season in our province.

Governor Hu Ping said: After having studied well the Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure, all departments must make further efforts to rectify the guiding ideology for their daily work. Efforts must be concentrated on the following four tasks before the Spring Festival:

1. Make a complete list of enterprises to be placed under the supervision of lower units and complete the reshuffling of the leading bodies of these enterprises.
2. Appropriately and carefully arrange the turnover procedures for these enterprises with special attention focused on preventing any violations of financial and economic discipline.
3. Effectively invigorate these enterprises by granting them before the end of this year all the self-decision powers they should be granted.
4. Study how to reform the administrative structure, readjust the government's functions, and do well in planning, coordinating, supervising, and rendering service.

Governor Hu Ping pointed out: In addition to successfully carrying out economic restructuring, the following four tasks must be accomplished during the current winter-spring season:

1. Fulfill in an all-round way the industrial and transportation tasks of this year, making it a priority task at present to increase economic results.
2. Continue to pay attention to agriculture and successfully carry out economic restructuring in the countryside.
3. Make further efforts to stimulate economic relations with foreign countries.
4. Pay great attention to creating, managing, and using funds, and explore new approaches to solving funding problems.

Governor Hu Ping stressed in conclusion: It is imperative to strengthen the leadership over economic work and accelerate the training of qualified personnel.

JIANGSU IMPLEMENTS POLICIES ON TAIWAN DEPENDENTS

HK260516 Beijing ZHONGGUO XINWEN SHE in Chinese 0730 GMT 24 Nov 84

[Report: Jiangsu Has Basically Solved Problems in Implementing Policies on Taiwan Dependents" -- ZHONGGUO XINWEN SHE headline]

[Text] Nanjing, 24 Nov (ZHONGGUO XINWEN SHE) -- About 95 percent of the problems concerning the implementation of policies on Taiwan dependents have been solved in Jiangsu Province.

Jiangsu is one of the provinces having more dependents of people who left for Taiwan. There are nearly 300,000 Taiwan dependents in this province, some of whom were wrongly dealt with and suffered political and economic losses during the "Cultural Revolution."

Since 1982, in order to quickly and appropriately solve the problems in implementing the policies toward Taiwan dependents, Jiangsu Province has transferred relevant personnel to form a special organization to take charge of this work.

The provincial government has also allotted a total of 2.5 million yuan to compensate them for their losses in property and houses during the "Cultural Revolution." Over the past 3 years or so more than 800 unjust, false, and wrong cases involving Taiwan dependents have been redressed in this province, more than 130,000 square meters of housing belonging to them have been returned to owners, and compensation has been made for more than 1,000 families whose property was confiscated during the "Cultural Revolution." Moreover, city registrations and work concerning more than 500 Taiwan dependents who were transferred to the countryside have been resumed.

While implementing the policies toward Taiwan dependents, over the past year or so more than 430 Taiwan dependents in Jiangsu have been elected delegates to the city and county people's congresses and CPPCC members.

#### NANJING MILITARY REGION PROMOTES INTELLECTUALS

OW270523 Beijing Domestic Service in Mandarin 0400 GMT 26 Nov 84

[Text] The party committee of the Logistics Department of the PLA Nanjing Military Region has assigned to leading positions intellectuals, having both ability and political integrity, thereby accelerating the progress of modernization in logistics work.

Since the beginning of last year, this committee has been staffing leading bodies with intellectuals, better educated, and having lofty ideals and a sense of vocation. It also promoted some more than one grade. Party committees at all levels in the Logistics Department enthusiastically assisted the intellectuals assigned to leading positions, and prepared conditions for their growth.

(Liu Dengqi), formerly chief of the Engineering Section, Barracks Division, Logistics Department, was a graduate of [word indistinct] College, class of 1961. To raise his overall organizing and command ability, the party committee of the Logistics Department sent him to the PLA Logistics Academy for advanced study in the academy's Senior Command Class. After graduation, he was promoted to head of division-level unit. The party committee also paid attention to making good arrangements for old intellectuals. Many units have set up advisors' groups and experts' offices to relieve old intellectuals of heavy, tedious administrative work, and let them have more time to sum up experience for passing on to new cadres and guide and help younger ones to success.

#### SHANDONG SPECIALIZED HOUSEHOLD FORUM MEETS

SK270415 Jinan Shandong Provincial Service in Mandarin 2300 GMT 26 Nov 84

[Text] On the afternoon of 26 November, Su Yiran, secretary of the provincial CPC Committee, and Li Zhen, vice governor of the province, received at the Zhongyang Hotel the 25 representatives of specialized households who had attended the national forum of specialized households in Beijing. Comrade Su Yiran welcomed the representatives' successful return from Beijing on behalf of the provincial CPC Committee and government, congratulated them on their taking a good lead in the rural economic reform, and affirmed their positive role in the transformation and development of the agricultural economy.

Vice Governor Li Zhen discussed with the representatives establishing the provincial association of specialized households and the information organizations, and encouraged them to be more bold and, in addition to prospering themselves, to lead their neighbors on the road of prosperity.

The representatives reported on their participation in Beijing's forum and their plans for future development, and unanimously pledged to be leaders in building not only material civilization but also spiritual civilization. At the end of the reception, Comrades Su Yiran and Li Zhen had a group picture taken with the representatives.

#### SHANGHAI HOTEL TO OFFER TRADITIONAL MEDICINE

OW270835 Beijing XINHUA in English 0645 GMT 27 Nov 84

[Text] Shanghai, November 27 (XINHUA) -- A hotel at which foreign tourists may consult doctors of traditional Chinese medicine and be treated using the traditional methods, will be built in Shanghai early next year. It will be named the "Garden of Shen Nong" after the legendary pre-historical figure who is considered one of the founders of traditional Chinese medicine.

The eight-storey, 400 room hotel in the southwest outskirts of the city will be built in the garden style of south China. Foreign tourists, Overseas Chinese and compatriots from Hong Kong and Macao will be able to receive medical treatment including herbal medicine, acupuncture, massage, and qigong (breathing exercise).

The hotel will be jointly undertaken by the Shanghai-Shenzhen Traditional Chinese Medicine Center, Shanghai County Incorporation of Agriculture, Industry and Commerce and Indar Ltd. of Hong Kong. The Shanghai center will provide doctors, nurses and therapists. The hotel menus of medical effects will be prepared by practitioners and pharmacists of Chinese medicine.

#### ZHEJIANG COMPLETES 1984 WINTER CONSCRIPTION

OW260537 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 23 Nov 84

[Text] Zhejiang Province has successfully completed its 1984 winter conscription. By 20 November the last group of recruits had been sent to PLA units. The 1984 conscription was the first since the promulgation of the new Military Service Law. Some big improvements have been made on conscription procedures. In the past, recruits were picked up by PLA personnel. Local governments now send recruits to PLA units, or let them report for duty at PLA units by themselves.

Party committees and governments at all levels pay great attention to conscription work. They have firmly strengthened their leadership over the work, and implemented the policy of giving preferential treatment to the recruits' families in the course of the conscription. Townships and towns, adhering to a principle of sharing the burdens, have signed 3-year contracts with the compulsory servicemen's families, and simultaneously issued notices of enlistment and certificates of preferential treatment. Many young people vied to apply for joining the Army. In Jiaxing, Huzhou, Zhoushan, Taizhou, and Jinhua, some households with annual income exceeding 10,000 yuan and some specialized households, having become rich but not having forgotten to serve the country, enthusiastically sent their sons to join the Army.



GUANGXI CIRCULAR ON STUDYING REFORM DECISION

HK280243 Nanning Guangxi Regional Service in Mandarin 1130 GMT 27 Nov 84

[Excerpts] The regional CPC Committee recently issued a circular demanding that the region seriously study the CPC Central Committee decision on reform of the economic structure.

Regarding arrangements for this study, the regional CPC Committee proposes in its circular that this be carried out in two stages. In the first stage, a concentrated period of time should be spent before New Year's Day in organizing party members and cadres to read through the decision, hold discussions, and initially appreciate the spirit of the document. In the second stage, on the basis of universal study, all units should, in connection with their business and in conjunction with investigation and study, select key topics for study during the first half of next year. Where possible, rotational study courses can be organized.

The circular stresses: Leaders at all levels must strengthen leadership over study and make specific arrangements for it. They should also step up supervision and inspection, and carry out appropriate propaganda and guidance to help the party members, cadres, and masses to correctly appreciate and understand the spirit of the decision. Correct guidance and solution must be provided for ideological problems that crop up in study.

GUANGXI CITY TO HOLD IMPORT-EXPORT COMMODITY FAIR

HK270539 Beijing ZHONGGUO XINWEN SHE in Chinese 0820 GMT 26 Nov 84

["Wuzhou City To Hold Small-Scale Import and Export Commodity Fair in the Near Future" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 26 Nov (ZHONGGUO XINWEN SHE) -- A small-scale import and export commodity fair sponsored by Wuzhou City, Guangxi Zhuang Autonomous Region, is scheduled to be held in Wuzhou City from 28 November to 4 December.

Dozens of business firms from Hong Kong and Macao have indicated their intention to participate in the commodity fair, while at home more than 1,000 representatives from about 194 units in Guangxi Autonomous Region and eight provinces, including Guangdong, Hunan, Sichuan, Guizhou, Yunnan, Fujian, Hubei, and Gansu, will also participate in the fair. More than 4,200 commodities are to be on sale at this small-scale fair, comprising farm, sideline and special local products, livestock products, grains, edible oils, foodstuff, hardware, industrial products, mineral products, chemical products, medicaments, textile products, light industrial products, general merchandise, special handicrafts, machinery, and so on.

HAINAN DAO CONSTRUCTION PROJECTS EXPEDITED

OW271207 Beijing XINHUA Domestic Service in Chinese 0208 GMT 25 Nov 84

[By reporters Chen Yexuan and Chen Jiang]

[Text] Guangzhou, 25 Nov (XINHUA) -- Work is in full swing on Hainan Dao to expedite the construction of key basic installations for the development of the island. Progress of the construction projects has been faster than expected. So far, with the exception of Yangpu Port and three other projects where initial work is still in the preparatory stage, all construction projects have been started; some have even been completed and already put into operation.

Last year, after the "summarized minutes of discussions on the question of expediting Hainan Dao's development" of the CPC Central Committee and the State Council were transmitted to the Hainan Administrative District, the People's Government of the district decided to build 10 key construction projects to develop the island. Then, some responsible persons, engineers, and technicians from ministries at the central level and from provincial and city departments concerned came to Hainan Dao, one after another, to conduct investigations and studies and to help work out plans for these projects. Enormous support was rendered to Hainan Dao through the provision of manpower, funds, and materials. This year, the number of the district's key construction projects has increased to 24, with a total planned investment of more than 1.03 billion yuan. During the period from January through September this year, a total investment of 117.9 million yuan was made in capital construction, up by 45.6 percent compared with last year's corresponding period.

The focal point now of Hainan Dao's construction is to make all out efforts to solve the problems of poor transportation conditions, inadequate energy supply, and lack of telecommunications facilities. For this reason, 11 of the 24 key projects concern transport, energy, and telecommunications. There are five transport projects; namely, expansion of the Haikou Airport, renovation of the old areas of Haikou and Basuo Ports, construction of the Yangpu deep water port, and construction of the section between Lingtou and Basuo of the Xihuan Railway. The Haikou Airport expansion project is now in full swing. After the project is completed by the Spring Festival of next year, large passenger planes will be able to take off and land at the airport. The expansion and renovation of the Haikou and Basuo Ports will be carried out in several stages. With the completion and operation of the Ling-Ba section (from Lingtou to Basuo) of the Xinhua railway next year, the Shilu iron mine, Basuo Port, Yinggehai salt yard, and Sanya Port in the southwest will be connected with one another. Main energy projects include a minehead power plant at the Changpo open-cut coal mine and a thermal power plant in Haikou, each with a 50,000 kw installed capacity. When all these projects have been completed, the development and construction program of Hainan Dao will enter a new stage.

Apart from the above, the initial project for the construction of the Haikou Brewery has been completed and become operational. The seven new sugar mills, construction of which commenced last year, have turned out products this year.

#### HENAN PAPER ON RECTIFICATION AT OIL FIELD

HK261510 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 22 Nov 84

[Excerpts] Today's HENAN RIBAO carries on page 1 a report on the changed situation in the prospecting bureau of Zhongyuan oil field following party rectification. It cited many facts to introduce the 10 great changes which have taken place in the bureau, a unit in which party rectification was carried out in the first stage in the province:

1. The consciousness of reaching unanimity with the CPC Central Committee has been raised.
2. The party's fine tradition of criticism and self-criticism has been restored and advanced.
3. Bureaucraticism has been severely criticized.
4. The unhealthy practice of taking advantage of one's power to seek personal interests has been resolutely halted and party style has been greatly improved.

5. The idea of serving the people has been firmly established, and the role of party members as pioneers and models have been enhanced.
6. The party's glorious image has been further restored.
7. The improvement of party style has promoted the improvement of social mood.
8. A large increase in production has been brought about.
9. Enterprise consolidation and reform has been promoted.
10. Leading cadres at all levels have tempered themselves in party rectification, thus vigorously promoting the building of leading bodies.

HENAN RIBAO carried a commentator's article on this, entitled: See the Achievements, Strengthen Our Confidence.

The article says: Currently, some people and party member cadres have a wrong idea about party rectification. These comrades fail to notice or seldom notice the achievements made in party rectification, but notice too many problems and treat them too seriously. This idea has dampened some comrades' confidence in properly carrying out party rectification, which should merit the attention of party organizations at all levels.

The article points out: So far, the party rectification, which began in winter last year, has developed healthily and the results have been remarkable. The article finally stresses that the CPC Central Committee, and the provincial CPC Committee, has set high and strict demands on party rectification.

In the latter stage of party rectification, examination will be conducted to check the quality of party rectification in each unit concerned. Those units which cannot meet the requirements of party rectification should make up a lesson in this respect. All comrades must bear in mind that the party rectification will not and should not be carried out a perfunctorily.

#### HUBEI REGULATIONS ON POLICIES FOR INTELLECTUALS

HK280327 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 27 Nov 84

[Excerpts] In order to further implement the party policies on intellectuals, mobilize the enthusiasm of the intellectuals, and speed up the pace of the four modernizations in the province, the provincial CPC Committee and government recently issued regulations on a number of problems in implementing the policies on intellectuals. These were issued in accordance with the principle of trusting and relying on the intellectuals politically, boldly employing them in work, and caring for them in daily life. The outline of the regulations is as follows:

The party committees and government at all levels and the organization and personnel departments must further eliminate leftist ideological influence and enhance awareness of implementing the policies on intellectuals. It is necessary to properly solve the problem of intellectuals in finding it difficult to join the party, and boldly appoint them to leadership duties at all levels.

It is necessary to get rid of the restrictions of ownership by the unit or department, and practice rational mobility of talent. We should advocate flow of talent from the urban to the rural areas, from state-owned to collective units, and from organs to factories. The rational mobility of talent can also be promoted by methods such as importing talented people from elsewhere, advertising for them, taking them on the staff, temporary transfers, technical assistance, and organizing combines and so on.



We must seriously solve the intellectuals' problems in updating their knowledge.

We must pay particular attention to organizing refresher courses in professional work for middle-aged and young intellectuals, and make proper arrangements for them.

Following the completion of rectification of the work of assessing and awarding technical titles, it is necessary to do a good job in assessing and assigning technical titles for specialized and technical personnel and upgrading them, in accordance with the relevant central regulations. We must eliminate the old conventions of promotion according to seniority. Conspicuous talent must be given accelerated promotion.

The party committees and government at all levels must work to improve the working conditions and environment for intellectuals. Planning and finance departments must include in their plans expenditure required for improving intellectuals' working conditions, and implement such plans. A number of middle-aged and young intellectuals who have made major inventions and contributions should be provided with assistants who meet the work requirements.

We must give priority to improving pay and conditions for middle-aged and young intellectuals who have made conspicuous contributions. We must eliminate the bonds of egalitarianism and break the rules in solving problems of their salary gradings, housing, separation of husband and wife, and medical care.

All areas and departments must actively support and organize scientific and technical personnel in providing various science and technology services, so long as this does not affect their work. The reasonable remuneration and subsidies they receive for such services should be properly protected.

#### MILITARY AIDS CIVILIAN INDUSTRIES IN HUBEI

HK270621 Beijing CHINA DAILY in English 27 Nov 84 p 4

[Text] The military should help modernize civilian industry, according to the ECONOMICS REFERENCE PAPER. Xiangfan City in Hubei Province has tapped the technological resources of military industrial enterprises, and encouraged cooperation between them and civilian enterprises.

In the past, Xiangfan's civilian industry was unable to meet market demands because of backward techniques and poor equipment. Yet, more than 20 military research and production departments in the city were underemployed. The city administration therefore set out to involve military technology in civilian industries. Eventually, more than 4,000 projects were updated, 300 of which made profits of more than 10,000 yuan.

The military has advanced technology which it has used to help projects -- especially in the light and textile industries. Twenty-four dyeing machines have been trial-produced in Xiangfan while cloth-printing machines have been updated. This has greatly increased production, improved quality and reduced costs. Assembly lines for sweets and cement production have also been set up and equipment which can grind 100 tons of rice a day has been installed. Bleaching and dyeing in the city's knitting factory used to be done by hand. Now military enterprises have helped improve productivity and save raw materials. Military and civilian co-operation will also be used in the building of a civilian airport, an artificial milk factory, a technological-trade building, and laser-technology exploration.

Under the contracts, both sides have to work on the principle of equality, mutual benefit, and economic independence. The Xiangfan administration also plans to offer tax concessions to these cooperative enterprises.

GUIZHOU COMMENTARY URGES STRIDES IN TAX WORK

HK270250 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 25 Nov 84

[Station short commentary: "Make Persistent Efforts To March Forward Toward a New Target"]

[Text] The province has overfulfilled its industrial and commercial tax revenue target 41 days ahead of schedule, an all-time high. This is very good news.

Over the 35 years since the founding of the PRC, the province's tax departments have collected a total of 9.3 billion yuan of industrial and commercial tax for the state, thus providing funds for the province's socialist construction. Over the past 5 years since the 3d Plenary Session of the 11th CPC Central Committee, the province has collected about 4 billion yuan of industrial and commercial tax, accounting for 41 percent of the total industrial and commercial tax revenue over the past 35 years. The province has made remarkable achievements in this year's tax revenue. By early November, the province's tax revenue reached some 880 million yuan, an increase of 22.74 percent as compared with the same period last year. All these figures have given us inspiration in the following three aspects:

1. Taxation work must be based on developing production. Only by developing production is it possible to open up all avenues for making money and to increase income. The basic reason for this year's large increase in the province's tax revenue is the excellent situation in production. From January to October, the province's total industrial output value increased by 16.3 percent as compared with the same period last year. In particular, the rapid growth in urban and rural economies and commodity production has created very favorable conditions for a large increase in tax revenue. Economy determines finance. Production is the source of tax revenue. The tax workers in the province must continue to cater to the needs of production and urban and rural economies, continuously probe a way for developing production and accumulating money, and do their utmost to develop production and increase tax revenue.
2. It is necessary to strengthen management of tax revenue. Since the beginning of this year, tax departments at all levels have worked hard in collecting taxes. They have actively gone deep into enterprises and rural fairs and markets to strengthen tax management in all all-round manner. They have propagated tax policies, plugged loopholes in tax money which should be collected. This is one of the reasons this year's tax revenue task has been well fulfilled. In the future, tax departments at all levels must further transfer competent personnel to the first line of tax work and upgrade the collection and management of tax revenue to a new level.
3. Many new changes have now taken place in tax work. The first step reform of substituting taxes for the delivery of profits in state-run enterprises and the reform of the whole industrial and commercial tax revenue system have been completed, and tax revenue has now become the mainstay of the state's financial income. Tax departments at all levels must under the leadership of party and government departments and in close cooperation with various departments concerned, earnestly implement various regulations stipulated by the State Council on overall reform of the industrial and commercial tax revenue system and study new problems and situations in tax revenue work on a timely basis so that tax revenue work can effectively promote and serve the reform of economic structure. There is just over a month left in this year. Tax departments must earnestly sum up their experiences in the work of the preceding stage, make persistent efforts, and accumulate more funds for the state's tax revenue and the four modernizations.

BEIJING BIRTHRATE DOWN 60 PERCENT IN 20 YEARS

OW272027 Beijing XINHUA in English 1604 GMT 27 Nov 84

[Text] Beijing, November 27 (XINHUA) -- Beijing has cut its birthrate by almost 60 per cent in the past 20 years, said the city's Family Planning Committee today.

Births in the capital between 1970 and 1983 numbered 1.75 million, with an annual birthrate of 14.9 per thousand against 36.71 per thousand of 20 years ago, the committee said. About 2.56 million more would have been added to the city's population if the birthrate had been developing at the 26.71 per thousand of 20 years ago, the committee said.

In 1976 the city had its lowest birthrate of 9.06 per thousand. The natural population growth rate was a mere 2.53 per thousand that year. The natural growth rate of the city hit 35.3 per thousand in 1963.

The committee attributed the fall of the birthrate to active response to the government call for birth control. Young people question the concept that "more children bring more happiness" and are beginning to accept late marriage and conception. They think smaller families benefit both the state and the individual.

Over 99 per cent of the babies born in the urban areas last year were only children. Now more than 660,000 couples in the city have committed themselves to have only one child. The city's birthrate during the first nine months this year was 7.28 per thousand. China's 1982 national census placed Beijing's population at 9,230,687. The city aims to keep its population below 10 million this century.

HEBEI RECTIFICATION ENTERS REGISTRATION STAGE

HK271032 Shijiazhuang HEBEI RIBAO in Chinese 16 Nov 84 p 1

[Report: "Provincial CPC Committee Holds Mobilization Meeting for Organs Directly Under the Provincial Authorities, Turning Party Rectification to the Stage of Registration of Party Members"]

[Text] The provincial CPC Committee held a mobilization meeting on the morning of 15 November in order to turn the party rectification under way in organs directly under the provincial authorities to the stage of registration of party members and final acceptance tests. Three units selected for experiments in the registration of party members, including the provincial Economic Committee, gave an account of their experiences at the meeting. On behalf of the provincial CPC Committee, Xing Chongzhi, secretary of the committee, delivered a speech. He stressed: The registration of party members and acceptance tests are important steps for consolidating and developing the achievements of party rectification in the previous stages and successfully fulfilling the tasks of the present party rectification from start to finish, and particularly the task of purifying party organizations. Fulfilling the task of this stage at a high standard is of the utmost significance in building our party into a strong core of leadership for the cause of socialist modernization, in bringing into full play the pioneering exemplary role of party members in attaining the general task and goal set by the 12th CPC National Congress and advancing the reform of the economic structure and the four modernizations, in maintaining the noble image of our party among the people, and in summing up experiences in the first stage as a guidance for future party rectification.



Xie Feng, secretary of the provincial CPC Committee, presided over the meeting. More than 1,400 people attended the meeting. They included comrades responsible for the provincial CPC Committee, the preparatory group for the provincial Advisory Committee, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC, and the provincial Discipline Inspection Commission; members of party committees and party groups, advisers and inspectors of all departments, committees, offices and bureaus; former party member cadres at the office and bureau levels who have now retired to the second and third lines; responsible persons of offices in charge of party rectification; secretaries of party committees, general party branches and party branches in government institutions; and heads and deputy heads of liaison groups of various sectors.

Comrade Xing Chongzhi delivered a speech with regard to the following four points at the meeting:

1. Conditions Are Now Ripe for Entering the Stage of the Registration of Party Members, Summing Up Experiences, and Acceptance Tests

According to an analysis made by the office in charge of party rectification for the provincial CPC Committee and by liaison groups of various sectors, it is believed that conditions are now ripe for entering the stage of registration of party members, summing up experiences, and acceptance tests in a majority of units as they have or almost have fulfilled the tasks set for the stage of rectification and correction. Based strictly on the five standards set by the provincial CPC Committee for the stage of rectification and correction, all sectors should seriously carry out examination and organize acceptance tests for the consolidation work in all departments, committees, offices and bureaus. Those where conditions are ripe and can enter the next stage and those where conditions are not ripe should make up for what they lack and should not proceed with consolidation work perfunctorily.

2. Fully Understand the Importance of the Registration of Party Members, Summing Up Experiences, and Acceptance Tests

Party organizations at all levels and all party members should fully understand the great importance and far-reaching significance of the work at this stage. They should take a serious attitude toward the work and should in no way treat it lightly. It is the first time in the history of our party to have all party members registered. This is a matter of prime importance in inner-party political life, which requires careful ideological work and good policy understanding. During this period, organizational measures should be taken toward party members who have committed errors. This involves the problem of whether we can deal with all cases in line with principle of protecting purity in party spirit, or whether we consider only how to save face or to do someone a favor. And this is also a real test for party organizations at all levels to see whether they are strong and firm enough, whether they are taking a serious attitude toward the decision of the CPC Central Committee on party rectification, and whether they have enhanced their ideological level and purity in party spirit after the consolidation work in the previous period.

3. Adopt Organizational Measures and Register Party Members Prudently

The main purpose of adopting organizational measures and registering party members is to maintain the party's organizational discipline, purify party organizations, enhance the political and ideological quality of party members, maintain the purity and vanguard role of party organizations, and strengthen the militancy of the party. To this end, we should:

1. Carry out intensive education in the criteria of a qualified party member.

In adopting organizational measures and registering party members, we must start with carrying out education in the criteria of a party member and continue the education throughout the whole course so that all party members will be able to clearly understand the basic demands of a qualified party member. This is a preliminary step for adopting organizational measures and registering party members.

2. Resolutely and prudently do a good job in the work of adopting organizational measures. Elements who persist in opposing and harming the party, those who stubbornly resist the policies of the party Central Committee adopted since the 3d Plenary Session of the 11th CPC Central Committee, those who have committed grave crimes in economic matters and other criminal offenses, and those who have seriously violated law and order must be expelled from the party. In principle, the "people of three categories" who have been sorted out should be expelled from the party, except those who have proved to have truly mended their ways after a long period of examination. As for those who have committed grave mistakes, in addition to criticism and education, due disciplinary action should be taken against them on the merit of each case; those who have truly realized and corrected their mistakes through self-criticism can have their punishment mitigated or remitted. When taking organizational measures toward party members, we should uphold the principle of seeking truth from facts and strictly abide by the procedures prescribed in the party Constitution. We should make an historical and overall analysis of the mistakes committed by party members on the grounds of a thorough investigation and convincing evidence before determining the nature of these mistakes. A clear distinction should be made between the "people of three categories" and those who committed errors during the "Cultural Revolution;" between those who stubbornly resist the policies of the party Central Committee adopted since the 3d Plenary Session of the 11th CPC Central Committee and those who are slack in understanding and implementing these policies; between serious violations of the law and discipline and unhealthy tendencies; and between bureaucrats who neglect their duties with serious consequences and those who only make certain mistakes in their work.

3. Exercise strict control over the requirements for party membership and take a serious attitude toward the registration of party members. The registration of party members should proceed after appropriate organizational measures are taken toward party members. The key to the problem lies in exercising strict control over the requirements for party membership. In judging whether a party member meets the requirements for party membership, we should see how he asserted himself either in the "Cultural Revolution," or after the smashing of the "gang of four," and particularly since the 3d Plenary Session of the 11th CPC Central Committee, and we should see how he has been asserting himself in current party rectification. In the registration of party members, priority should be given to carrying out education among the broad section of party members and to the examination and approval of those whose registration should be postponed or who are to be refused registration, and organizational measures should be taken against them.

In the spirit of the decision of the CPC Central Committee on party rectification, party members who meet the requirements for party membership are to be allowed to register. Party members who still basically do not meet the requirements for party membership after education in party rectification, but who have expressed determination and have through their deeds shown that they are willing to mend their ways and be tested by the party, and party members who have been placed on probation within the party according to party discipline, may have their registration postponed. Party members whose revolutionary will has waned, who do not honor their obligations as party members, who cannot live up to the requirements for party membership, or who refuse to repent despite repeated help and education should be persuaded to withdraw from the party and should not be allowed to register.

Party members who ask to quit the party or who have already given up their membership and refused to participate in the party rectification should have their names removed from the party and should not be allowed to register. Those who have been found to be unqualified for membership when being admitted or who have been admitted as party members without due process, and who cannot now live up to the requirements for party membership should not be allowed to register. And party members who have been placed on probation within the party according to party discipline but have refused to examine their mistakes and are unwilling to mend their ways should not be allowed to register.

The procedures for the work in the registration of party members is: 1) determine the status of party members at the units where they work, and work out plans for the registration of party members; 2) party members themselves make a summary from the ideological side; 3) party members apply for and voluntarily fill out the "registry form for CPC membership;" and 4) efforts should be made to convene "three types of meetings;" these are: the meeting of the party group under a party branch, which listens to the summary made by party members from the ideological side; the meeting of the party branch, at which whether a party member should be allowed to register or not or whether his registration should be postponed and discussed; the meeting of all members of the party branch, at which proposals made by the party branch are discussed and decided upon following the necessary prior discussions.

Do away with "leftist" practices and bring every positive factor into full play. In taking organizational measures and registering party members, no ratios or quotas whatsoever should be fixed beforehand and no typical examples, either positive or negative, should be created. As for those whose problems have been dealt with, their cases will not be considered again this time, those whose problems have not been thoroughly investigated will not be dealt with this time and those on whose problems no consensus has been reached will not be dealt with in haste this time. It is absolutely impermissible for anyone to take the opportunity to whip up factionalism and to retaliate against others. We should do painstaking ideological work, bring every positive factor into play, and eliminate all passive factors so as to fully show the power of the party's policies and party rectification.

#### 4. Conscientiously Sum up Experiences and Organize Acceptance Tests by Relying on the Broad Masses of Party Members in the First Group of Units Where Party Rectification Is in Progress

To guard against perfunctoriness in party rectification, acceptance tests should be organized in a unit which has finished its consolidation. Work should proceed by fully soliciting the opinions of the masses of party members. Based on the summing up by all units, various sectors should organize acceptance tests with the participation of representatives of party members. Units which have fulfilled or basically fulfilled the requirements for party rectification through acceptance tests, can declare that they have finished their consolidation work, but those which are not up to the requirements should make up their deficiencies.

The provincial CPC Committee urged that the majority of offices directly under the province which have been selected as the first group for party rectification should strive to basically finish their consolidation work by the end of this year and those which are still far from the requirements should finish their consolidation work before the coming Spring Festival. The work of weeding out the "people of three categories" should not have too many problems left; all problems should be solved this year and none should be left till next year. Anyway, we should make the best use of the limited time and work hard in a down-to-earth manner so as to ensure overall fulfillment of the tasks for party rectification with high standards and with good quality.

Also speaking at the meeting were Gao Yang, first secretary of the provincial CPC Committee, and secretary Zhang Shuguang.



LIAONING CPC COMMITTEE MEETING ENDS 27 NOV

SK280449 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 27 Nov 84

[Excerpts] The eighth enlarged plenary meeting of the fifth provincial CPC Committee concluded in Shenyang this morning after a 10-day session. The meeting called on all levels of party organizations to conscientiously study and firmly implement the CPC Central Committee decisions on reforming the economic structure; to accelerate the pace of reform focusing on the invigoration of enterprises; to change the reform of the partial and local economy to the reform of the economy as a whole, focusing on the urban economy; to use reform to promote the work of innovating enterprises, opening to the outside world and developing the natural resources; and to make efforts to realize the magnificent goal of vitalizing Liaoning, serving the whole country and marching to the world.

Members and alternate members of the provincial CPC Committee attended the meeting. Attending the meeting as observers were Standing Committee members of the provincial Advisory Commission; members of the provincial Discipline Inspection Commission; party-member leading cadres of the provincial People's Congress, the provincial People's Government and the provincial CPPCC Committee; responsible comrades of the provincial Party Rectification Liaison Group sent by the CPC Central Committee; party-member leading cadres of various provincial-level departments, commission, offices and bureaus, and of various mass organizations; and secretaries of various city, county, and district CPC committees. A total of 400 people attended the meeting.

During the meeting, the participants conscientiously studied and warmly discussed the CPC Central Committee's decisions on reforming the economic structure. In line with the reality, the participants also conscientiously discussed some ideas suggested by the provincial CPC Committee concerning implementation of the CPC Central Committee decisions.

The meeting emphatically pointed out: The current provincial reform of the economic structure must be focused on the following several points, stressing the invigoration of enterprises:

1. We should thoroughly study the decisions and seek unity of thinking. All levels of CPC committees should organize the vast number of party members and the masses to conscientiously study the decisions in line with the reality and to accurately understand the essence of the decisions in order to unite the thinking of all party members with the guidelines of the 3d Plenary Session of the 125h CPC Central Committee, at present, obstacles to the reform mainly come from leading organizations and economic management departments. They should, through study, deeply understand the necessity and urgency of the economic structure reform; eliminate ideological obstacles; clearly define the nature, purpose, task, and various fundamental principles and policies of the reform; volunteer to stand in the forefront of the reform; and plunge into the great practice of the reform.

2. We should discriminate between government administration and enterprise management, and attend to streamlining of administrative procedures and to delegation of powers. From now on, all the mandatory plans should be gradually assigned by the state and the provincial Planning Commission, and no department or bureau at the provincial and city levels will be allowed to transmit mandatory plans to enterprises. In transmitting mandatory targets to enterprises, no department or bureau will be allowed to raise the quotas of output value. Except for those involved in the special state stipulations, all enterprises have the power to independently arrange for their production and market quotas if it conforms to the state mandatory plans. Administrative departments at all levels should not pocket part of the materials and goods distributed by the state to enterprises. Financially, enterprises should be definitely separated from administrative departments.

3. We should reform the leadership system of enterprises, and implement the system of charging plant directors or managers with full responsibility. From 1985, all enterprises which have consolidated and restructure their leading bodies will be allowed to implement the system of charging plant directors or managers with full responsibility in a well-guided manner and group after group.

4. We should establish an economic responsibility system of various forms, and conscientiously implement the principle of distribution according to work.

Wages and bonuses of workers of enterprises should be commensurate with the economic results of enterprises, and workers' income should be commensurate with the quantity and quality of their work. Enterprises should straighten out their business ideology, and should not increase their income by lowering their contract quotas, raising the prices of their products, and infringing upon the interests of customers.

5. We should adhere to the reform, promote the technical transformation, and expedite the technical progress of enterprises. We should work out technical transformation plans for the entire national economy and for each profession or trade. Under the guidance of unified planning, we should use advanced technologies to renovate the traditional industry and invigorate old enterprises. Attention should be paid to importing advanced technologies and key equipment in an effort to raise the technical level of enterprises.

6. We should develop varied economic forms, and actively conduct economic and technical exchanges with foreign countries. The development of the collective and individual economy should be accelerated. Small-sized state-run enterprises can also be leased or contracted to collectives and individuals for management. The new-established town-, township- and village-run enterprises can enjoy tax remission for 3 years. The tertiary industry should be developed vigorously. Reform should promote the opening to the outside world. We should actively reform the management system on foreign economic relations and trade, rapidly implement the system of assigning agencies to run the import and export business, and vigorously conduct economic and technical exchanges with foreign countries. Enterprises should be given more decisionmaking powers in conducting economic and technical exchanges and organizing cooperation with foreign countries. The building of the Dalian Economic and Technological Development Zone should be accelerated and great efforts should be made to import advanced technologies. We should open our enterprises not only to foreign countries, but also to areas across our country.

7. We should boldly use and actively train talented personnel, and combine the fine tradition of the party's mass line with the modern scientific assessment and management methods. We should depend on and recommend talented personnel, and boldly use the cadres meeting the four requirements. In the course of emphatically using and promoting young cadres, attention should be paid to giving free rein to the role of the cadres over 50. We should enliven the management of talented personnel, advocate the rational flow of the talented people, and strive to make the best possible use of the talented people and their abilities. We should vigorously train talented people, and develop educational undertakings.

8. We should strengthen party leadership over the reform of the economic structure.

The eighth enlarged plenary meeting of the fifth provincial CPC Committee also examined and unanimously adopted a decision to convene the sixth provincial Party Congress in May 1985.

QINGHAI DEPARTMENT ELIMINATING 3-CATEGORY PEOPLE

HK270104 Xining Qinghai Provincial Service in Mandarin 1100 GMT 25 Nov 84

[Text] In accordance with the spirit of the decision of the CPC Central Committee on party rectification and the arrangements made by the provincial CPC Committee, the CPC Committee of the provincial Light and Textile Industry Department has earnestly carried out the work of weeding out people of the three categories by overcoming difficulties at the beginning. In carrying out the work of weeding out people of the three categories, the department has adopted a two-pronged approach, namely: 1) Conduct an overall investigation of the performances of all party members and cadres of the department organs during the Cultural Revolution and hold repeated discussions and make analyses to define the major targets to be weeded out; and 2) in handling the relationship between the department organs and the units directly under the department, lay stress on the department organs while paying attention to guiding the work of the units directly under the department.

The CPC Committee of the provincial Light and Textile Industry Department holds that overcoming the difficulty of starting the work and [words indistinct] in a practical manner are the key to the work of weeding out people of the three categories, as well as the foundation for implementing policies. Therefore, in verification, personnel handling the cases, with a strong sense of sympathy, first helped those comrades who suffered during the Cultural Revolution to remove various ideological misgivings and personal resentments and persuaded them to proceed from the party's interest to provide information concerning evidence in a practical way. Insiders and persons concerned should be treated differently. The personnel encouraged those who admitted their mistakes and actively reported and exposed others' problems, and seriously criticized and educated those who adhered to factionalism, refused to admit their mistakes in the face of facts and refused to expose others' problems together with party organizations of the relevant units. As for those who made serious mistakes, rejected the investigation, and behaved abominably, the personnel reported them to the higher authorities and suggested that these persons be severely dealt with.

To date the comrades of the office for weeding out people of the three categories under the CPC Committee of the provincial Light and Textile Industrial Department have called on 174 units and 197 persons in conducting investigations and verification. They have obtained 108 letters of evidence and basically verified the main problems of those persons whom should be investigated on a priority basis. All this has made good preparations for registration and organizational settlement of party members in the next stage.

QINGHAI HOLDS MEETING ON 2D STAGE OF RECTIFICATION

HK261358 Xining Qinghai Provincial Service in Mandarin 1100 GMT 25 Nov 84

[Text] On 22 November, the provincial CPC Committee held a meeting attended by members of the liaison groups for party rectification in the second stage, and decided to send nine liaison groups to some units concerned. The groups will be sent to Xining City, Haidong Prefecture, Hainan Autonomous Prefecture, Haixi Autonomous Prefecture, Haibei Autonomous Prefecture, Huangnan Autonomous Prefecture, Yushu Autonomous Prefecture, Guoluo Autonomous Prefecture, and the provincial Sports Committee to carry out work.

Huanjue Cailang, deputy secretary of the provincial CPC Committee and director of the Party Rectification Office of the provincial CPC Committee, delivered a speech at the meeting. He stressed that it is necessary to firmly grasp five tasks at present:

- 1) It is necessary to go among masses, to properly carry out investigation and research, and to discover accurate information.



2. It is necessary to assist units carrying out party rectification in working out a fairly good plan for party rectification study.
3. It is necessary to firmly grasp study, which is a basic work.
4. It is necessary to uphold the principle of simultaneous rectification and correction of defects.
5. It is necessary to properly handle the relationship between party rectification, the reform of economic structure, and the construction for the four modernizations.

#### SHAANXI'S XIAN CITY APPOINTS ACTING MAYOR

HK270313 Xian SHAANXI RIBAO in Chinese 16 Nov 84 p 1

[Report: "Xian City People's Congress Standing Committee Passes Resolution Appointing Yuan Zhengzhong Acting City Mayor"]

[Text] The 14th meeting of the 9th Xian City People's Congress Standing Committee passed a resolution yesterday morning on deciding to accept the request of Zhang Tiemin to resign from his post as city mayor. The meeting also unanimously passed a resolution on the choice of acting mayor. The resolution said that the 14th meeting of the 9th city People's Congress Standing Committee agrees with the proposal of the Xian City CPC Committee and decides to appoint Yuan Zhengzhong, [5913 2973 0022] acting mayor.

#### XINJIANG'S WANG ENMAO ADDRESSES PLENARY SESSION

HK280143 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 27 Nov 84

[Exerpts] The third enlarged plenary session of the third Xinjiang Regional CPC Committee concluded in Urumqi today. Regional CPC Committee Secretary Tomur Dawawat presided over the meeting today. First Secretary Wang Enmao made a speech.

The session held: The CPC Central Committee decision on reforming the economic system is an extremely important, profound, and complete document in integrating Marxism with the realities of socialism in China. It is the program guiding us to carry out reforms of the economic system.

In his speech, Comrade Wang Enmao outlined seven points regarding how to implement the decision and the spirit of this plenary session.

1. Make great efforts to study and appreciate the spirit of the central decision and speed up reforms of the entire economic system, with the focus on the towns. This is currently the central task of the whole party and the people of the whole country.
2. To ensure the healthy development of the reforms of the economic system, it is necessary to grasp the two civilizations together. While carrying out reforms of the economic system, stress must be laid on education in socialist spiritual civilization. We must in particular be alert for and curb unhealthy practices that damage reforms of the economic system. At present such unhealthy practices have already appeared in some places in the country. First, the organs engage in buying things and selling them for a fat profit, get hold of state materials of which there is a serious shortage, and set up shell companies. Second, instead of working hard to carry out reforms and improve economic results in accordance with the principles and policies of the decision, certain enterprises and units attempt to organize wild price hikes by irregular and improper means. These unhealthy practices confuse people and disrupt the markets. They are essentially different from economic invigoration.

There have also been various indications of these unhealthy practices in Xinjiang. The leaders at all levels must attach sufficient importance to this problem. Where such practices have already occurred, they must be resolutely curbed; where they have not, it is necessary to be on the alert to prevent them.

3. Speed up the pace of enterprise consolidation. Carrying out enterprise consolidation is a current major measure for invigorating the enterprises. The focus of all reforms is on economic invigoration, especially that of large and medium key enterprises under ownership by the whole people.

4. Reforms must help to develop production, promote stability and unity, strengthen finances, and improve people's living standards. Reform of the pricing system is an extremely sensitive issue in the whole of the economic reforms, which is related to the daily life of the millions of households and every individual. It must be strictly carried out in line with the unified central arrangements and policies. Arbitrary price hikes are absolutely forbidden. Violators must be severely dealt with.

5. Reforms must take care of the interests of the state, the collective, and the individual, and be based on the overall situation. We must follow this principle in formulating specific policies on reforms.

6. Reforms must be closely linked with party rectification. Reforms should stimulate and also test party rectification, and spur economic development. While grasping economic reforms, all areas and departments must strengthen leadership over party rectification work and ensure that it is not done in a superficial way.

7. Reforms must be closely integrated with present production. We must strike to fulfill and overfulfill the region's national economic and social development plans for the year. Encouraged by the spirit of the 3d Plenary Session of the 12th Central Committee, we must persistently grasp as long-term tasks the construction of water conservation, communications, electric power, and building materials, to ensure a relatively extensive development of construction in the region. We should further consolidate and develop the region's excellent situation of economic development, solidarity of nationalities, consolidated border defense, and continued improvement in people's living standards.

#### XINJIANG ISSUES CIRCULAR ON PRICE INCREASES

HK280207 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 27 Nov 84

[Text] The regional Price Bureau issued a circular on 22 November demanding that price departments throughout the region, under the leadership of local governments, coordinate with the departments concerned to send price inspectors to enterprises and grassroots units to carry out serious inspection and supervision of prices and resolutely curb the unhealthy practice of unauthorized price hikes.

The circular said: At present the focus of price inspection should be on those units that buy up commodities and resell them at higher prices for profit; production enterprises and commercial wholesale departments that sell commodities in short supply to operational units and individual entrepreneurs at retail prices or higher; and units that engage in arbitrary and disguised price hikes.

It is necessary to resolutely put a stop to violations of price policy discovered during this inspection, and deal with them severely. Ill-gotten gains must be returned to the customers and consumers. Where this is not possible, such gains should be confiscated. Those people and responsible persons involved in violating price policies must be punished according to the seriousness of the offense. Where violations of law are involved, such persons must be handed over to the judicial organs for criminal accountability.

FOREIGN AFFAIRS OFFICIAL ON U.S. TIES, ARMS SALES

OW280336 Taipei CNA in English 0238 GMT 28 Nov 84

[Text] Taipei, Nov. 27 (CNA) -- A ranking official with the Ministry of Foreign Affairs [MOFA] said in a recent interview that the government here will not treasure any unrealistic hope toward the future relations between the Republic of China and the United States although U.S. President Reagan has successfully won his second tenure. "We are very realistic, as indicated in the old Chinese saying, 'as water flows, it forms a channel by itself,'" said John H. Chang, director of MOFA's Department of North American Affairs. Then, he added: "We don't know a new channel will be formed, but we will continually strengthen our substantive relations with the United States."

Chang said he is optimistic about future Sino-American relations and believes that the mutual relations between the two countries will be strengthened, but he also pointed out: "I don't think there will be any dramatic or drastic change in President Reagan's second-term China policy."

In an interview carried in the latest issue of the FREE CHINA REVIEW, Chang explained in detail what course the government will take in its future operations toward the U.S. in the next four years. Looking back to the past four years, Chang said President Reagan has carefully taken in account the interests of this nation and this indicates that President Reagan has strong intent to carry out the terms of the Taiwan Relations Act. Because of President Reagan's goodwill, Chang went on, the relationship between the two countries has been cultivated under very stable conditions, becoming even more consolidated and providing a healthy base for further development -- a good track for forward movement.

As to how to strengthen the relations with the U.S., Chang said the ROC has always taken a positive and supportive position in its dealings with the U.S. and will continue to uphold the principle. Citing an example, Chang said: "We have been purposefully and vigorously coping with the problems of counterfeited products and copyrights infringements and supported the U.S. Caribbean Basin initiative."

In addition to the traditional friendship and trade relations, Chang said Taiwan's strategic position in the Pacific and Asian region is of major importance to the interests of the United States. "If we were to become a power that the U.S. could no longer trust, then it would be very difficult for her to exercise the same degree of influence in this region," Chang added.

Commenting on what the nation needs most from the U.S., Chang said: "I think arms sales are probably the most important. In any case, for our national security, what we need most from the U.S. is the sale to us of advanced aircraft so we can defend ourselves. Air defense is critical to this island."



PRC 'HYDROBOMBER' SUCCESSFULLY TEST-FLOWN

HK280911 Hong Kong HSIN WAN PAO in Chinese 28 Nov 84 p 4

[Special dispatch from Beijing: "Trial Flight of New Hydrobomber a Success"]

[Text] Beijing, 28 November -- The first-generation new-type hydrobomber [shui shang hong zhai ji 3055 0006 6575 3498 2623] researched and produced by China was successfully test-flown yesterday. This new type of hydrobomber is equipped with many weapons, including antisubmarine guided missiles, depth charges, and so forth. It can be used for submarine killing, reconnaissance, rescue, patrol, and other purposes.

THATCHER TO SIGN HONG KONG DECLARATION IN PRC

HK281042 Hong Kong Domestic Service in English 1000 GMT 28 Nov 84

[Text] An official announcement has been made that Mrs Thatcher will visit Beijing next month to sign the joint declaration on Hong Kong's future. She'll be accompanied by the foreign secretary, Sir Geoffrey Howe, and they'll visit Hong Kong for 2 days after the Beijing trip. Kit Vale has the details:

[Begin Vale recording] The announcement, issued simultaneously in London and Hong Kong, stated that Mrs Thatcher and Sir Geoffrey Howe will be in Beijing between December the 18th and the 20th. They'll be going at the invitation of the Chinese premier, Mr Zhao Ziyang.

Mrs Thatcher will then fly to Hong Kong on the 20th and stay till the following day. The prime minister and the foreign secretary will hold discussions with the governor and the Executive Council and will meet 500 members of the Hong Kong community. Mrs Thatcher will also address a joint meeting of the Executive and Legislative Councils and will have lunch with Umelco [Unofficial members of the Executive and Legislative Councils] members. She will hold a news conference on the 21st before leaving Hong Kong, reportedly for the United States.

The announcement stresses, though, that the visit to Beijing will be subject to the outcome of the debate in Parliament on Hong Kong's future. The House of Commons will debate the draft agreement on December the 5th and the Lord's will discuss it 5 days later. There's little chance that Westminster will reject the draft agreement, especially as the British Government has said that no changes can be made. The Standing Committee of China's National People's Congress has already endorsed the agreement.

This will be Mrs Thatcher's second visit to Hong Kong. She was last here in September 1982, after visiting Beijing where she got the talks on Hong Kong's future rolling. [end recording]

ZHAO ZIYANG INSPECTS SHENZHEN, SHEKOU ZONES

HK270557 Hong Kong WEN WEI PO in Chinese 27 Nov 84 p 1

["Special dispatch" from Shenzhen by reporters Chang Chien-hua and Yao Hsin-pao: "Zhao Ziyang Inspects Shenzhen and Shekou, Praises the Tremendous Changes in the Special Zone Over Past 3 Years"]

[Text] Yesterday Premier Zhao Ziyang, who was full of vim and vigor, took a van to inspect, successively, the China merchants Shekou industrial zone, Shenzhen University, and factories in the Shenzhen special zone run as Sino-foreign joint ventures. Premier Zhao Ziyang, who had visited the special zone 3 years ago, praised the tremendous changes in the zone over the past 3 years.

At 1030 yesterday, accompanied by Lin Ruo, second secretary of the Guangdong Provincial CPC Committee, and Jiang Xi, vice minister of commerce, Premier Zhou arrived in Shekou from Zhuhai City by warship. After landing, Premier Zhao and responsible persons of Shenzhen City and Shekou Economic Zone Liang Xiang, Yuan Geng, Zou Erkang, and others went directly to Chiwan Port by van. At Chiwan wharf, Premier Zhao asked in detail about the length of time needed to build the wharf, the method used in building the docks in the South China Sea oil base, management methods, and total investment. After that, Premier Zhao climbed a hill where a microwave communications station is located, to look down on the full view of Shekou industrial zone. Later, Premier Zhao went to Shenzhen University, which was established only a year ago. He shook hands cordially with students and teachers there. He inspected classrooms, and had a group photograph taken with responsible persons of the university in front of a school building. He also signed his name in the visitor's book on invitation.

At noon, Premier Zhao arrived at Xinyuan Guesthouse, and had his lunch there. After a short break, he continued his inspection in the afternoon.

At the Shenzhen industrial development building, where the products manufactured by Shenzhen special zone were exhibited, Premier Zhao asked about their production and the materials concerned with great interest. Zhou Xiwu, vice mayor of Shenzhen responsible for industry in the city, briefed Premier Zhao on the industrial development of the city. While talking about the agreements which had been signed on foreign industrial investment, Premier Zhao Ziyang specially asked about the proportion of investment made by Hong Kong and Macao. Vice Mayor Zhou Xiwu told him that the investment made by Hong Kong, Macao, and companies in Hong Kong and Macao run by various countries of the world accounted for 90 percent of total investment. Hearing this, Premier Zhao nodded his head again and again.

At about 1600, Premier Zhao went to China's aviation technology import and export company, and Shenzhen industrial and commercial center. At 1620, Premier Zhao inspected Huafa Electronics Co. Ltd., and stayed there for 35 minutes, the longest inspection during yesterday's activities. Learning that this company, with only 330 workers and staff, could yearly produce 100,000 television sets of various sizes, with one- and two-sided computerized printed boards, and with circuit boards requiring special technology, with a yearly output value of 1 billion yuan, Premier Zhao was very happy about this. When he left the company, he waved his hand again and again to workers. The atmosphere was harmonious.

At 1800, Zhao Ziyang returned to the guesthouse where he was staying, and continued to listen to reports presented by responsible persons of Shenzhen City on the city's construction. He also spoke at the meeting.

Premier Zhao left Shenzhen this morning for other places, to continue his inspection.

Yesterday, Xu Jiatao, director of the Hong Kong branch of the XINHUA NEWS AGENCY, also rushed to Shenzhen from Hong Kong to meet Premier Zhao.

#### Zhao, Xu Jiatao Meet

HK280339 Hong Kong SOUTH CHINA MORNING POST in English 28 Nov 84 p 19

[By Terry Cheng]

[Text] The Chinese Prime Minister, Mr Zhao Ziyang, inquired about Hong Kong during his visit to Shenzhen on Monday. He received Mr Xu Jiatao, director of the Hong Kong branch of the NEW CHINA NEWS AGENCY, who specially went to the special economic zone for the meeting.

China's current efforts to promote trade through Hong Kong was believed to be one of the topics discussed.

Mr Zhao, who was inspecting farms in the Pearl River delta in Guangdong, met people from Macau when he visited Zhuhai on Sunday. They included Mr Ke Zhenping of Nam Tung Company and Mr Mankee, a delegate to the Chinese People's Political Consultative Conference.

Mr Zhao was believed to have inquired about the reactions of Hong Kong and Macau towards the draft agreement.

Reports from Shenzhen about the meeting between Mr Zhao and Mr Xu were sketchy. However, sources said the meeting probably focused on China's current efforts to promote trade through Hong Kong as well as Hong Kong's reactions toward the draft agreement.

Earlier this month, a largescale seminar attended by high-ranking officials from China's recently-opened 14 coastal cities, the four special economic zones and Hainan was held.

The agreement is to be signed next month and Peking leaders are concerned about Hong Kong people's reactions.

The Hong Kong Government last week released the White Paper on representative government. The report by the Assessment Office on people's attitude towards the draft agreement will be published tomorrow. Mr Zhao may well want to have first-hand information on these matters, the sources believed.

Mr Zhao's visit was the second by top Chinese leaders to the special economic zones bordering Hong Kong and Macau in less than six months. In May, Mr Hu Yaobang, the Communist Party General-Secretary, visited Shenzhen and Zhuhai. In January, Mr Deng Xiaoping, visited the both places in addition to other SEZs.

The fact that Mr Zhao visited Zhuhai and Shenzhen raised speculation that he inspected the plans for an express highway linking Canton and the two SEZs. Mr Zhao on various occasions received Mr Gordon Wu of the Hopewell Group, which is to build the highway. It is envisaged that Mr Zhao's interest in the highway might speed the project.

Mr Zhao had worked in Guangdong both before and after the Cultural Revolution. He was party first secretary and then Governor of Guangdong before he was transferred to Sichuan, where he began to rise in the hierarchy. With such close links with the province it is only natural that he takes a deeper interest in its development.

Mr Zhao made the visit at a time when the Communist Party just announced its reform on the urban economy.

Shenzhen, being the pioneer of China's economic reform in many ways, has always been under the constant attention of the Chinese leaders.



Concludes Visit to Shenzhen

HK280057 Hong Kong WEN WEI PO in Chinese 28 Nov 84 p 1

["Special Dispatch" from Correspondent Yao Hsin-pao: "Zhao Ziyang Goes to Dongguan"]

[Text] Shenzhen, 27 Nov -- State Council Premier Zhao Ziyang, who carried out an inspection here, had high praise for the Shenzhen Guangming Overseas Chinese livestock farm and fully affirmed the outstanding achievements of this, the largest mechanized livestock farm in the country, in economic results and economic management following its importation of foreign investment and advanced foreign technology and equipment.

Zhao Ziyang, who stayed last night at the Xinyuan Guesthouse in Shenzhen, was photographed this morning in front of the guesthouse with the personnel concerned and the guesthouse service personnel, as a memento. At about 0900 he made a minibus tour of Shenzhen City, accompanied by responsible persons of the city. After that, Premier Zhao was driven to the Guangming Overseas Chinese livestock farm to the west of the city, to make an inspection.

At noon, Premier Zhao Ziyang bade farewell to the principal responsible persons of Shenzhen City and the personnel concerned who accompanied him on his inspection, and left for Dongguan and other places to continue his inspection.

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